

From:

(b) (6), (b) (7)(C)

To:

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> FLANAGAN, PATRICK S

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Cc:

Bcc:

Subject:

FW: Speeches - Confirmation Package

Date:

Thu May 25 2017 11:39:31 EDT

Attachments:

01_AC Closing Remarks - CBPO Graduation Session 284.docx
02_AC McAleenan.FOA.Basic Graduation.Session 287.12-27-11.doc
03_Oral Statement_BMS-Cargo.docx
04_AC McAleenan.FOA.Session 297.3-30-12.doc
05_Maynard Jackson Opening Atlanta.doc
06_C2 CBPO Graduation Keynote Address May 2013 v3.doc
07_McAleenan Opening Remarks - 06-21-2012_Draft 2 (06 18 12).doc
08_AC McAleenan Oral Statement - BMS 9-11.docx
09_AC McAleenan.SLCP.12-6-12.docx
10_AC McAleenan.DFO San Diego.Change of Command.2-13-13.docx
11_McAleenan_OralStatement_draft 5-min VERSION KM CLEAN FINAL_2-26-2013.

docx

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13_McAleenan HSGAC_OralStatement_draft 7-min VERSION_OCA1.docx
14_Oral Statement HAC-HS Apr 17_v8_draft w final edits.docx
15_CBP-S744_Oral Statement_clean.docx
16_B5 C2 Welcome Remarks - CMO.docx
17_McAleenan_HFA-S_OralStatement_5-minute_v3_clean.docx
18_C2 Talking Points - A4A Brussels 092613.docx
19_04082014 Oral Statement for C2 FINAL.docx
20_C2 NTEU TPs_FINAL_0417.docx
21_06042014 Oral-Statement_CargoSecurity_FINAL.docx
22_Cleared C2 Remarks U.S. Fashion Industry Association 11.5.14 v2.docx
23_CLEARED C2 Remarks Association of American Railroads 11 7 14v3.docx
24_C2 CIBM Remarks - OPA Final.docx
25_C2 Remarks National Sheriffs Assn Mid-Winter Conference.docx
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29_C2_Remarks_OA_MW_Space_Opening_10142015v2.docx
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edits.docx
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38_C2_Remarks_HRM_Recognition_SP_09232016.docx
39_C2_Remarks_ATS-G_MOU_09262016v3.docx
40_C2_Remarks_Procurement_All-Hands_09292016v2.docx
41_C2_Remarks_Border_Patrol_Foundation_Bonner_10182016.docx
42_C2 Chamber of Commerce Nat'l Task Force Speech.pdf
43_C2 ECTS 12-1-16.docx
44_clear - REVISED C2_Remarks_Trade_Presser_Portland_OR_12142016v7.docx
45_C1_Remarks_COAC_03012017_As_Delivered.docx
46_C1_Remarks_AAAE_ACI-NA (Draft v1)_ABS (clean) C1.docx
47_C1_Remarks_NCBFAA_New_Orleans_04052017v4.docx
48_C1_Remarks_UCP_Mex_City_04202017 v3.docx
49_C1_Remarks_Valor_Mem_05162017_SHORT VERSION.docx
50_May 17 2017 Global Supply Chain Summitt.pdf
50_Tab 2 - WCTS C1 Q and A v2.docx
51_Tab 2 - WCTS C1 Q and A v2.docx
Table of Contents_Speeches.docx

All, was able to dig up the last two locations, the ToC has been updated.

From: (b) (6), (b) (7)(C)
Sent: Thursday, May 25, 2017 11:15 AM
To: FLANAGAN, PATRICK S (b) (6), (b) (7)(C)
(b) (6), (b) (7)(C)
Subject: Speeches - Confirmation Package

All,

For the C1 package to SFC.

There were two speeches I could not find a forum / location for:

- B5 R&D Conference – May 22, 2013
- 2014 NTEU Conference

Let me know if you have any questions.

Thanks,

(b) (6)

**U.S. Customs and Border Protection
CBP Officer Basic Training Graduation
CBPOBT Session 284
Glynco, Georgia**

**Deputy Assistant Commissioner Kevin K. McAleenan
November 4, 2011**

INTRODUCTION

- * Thank you. First, I would just like to say ***Congratulations to all of our new graduates.***

- * It is my pleasure to join you for the Graduation Ceremony for the ***CBP Officer Basic Training Session 284***. It is an honor to celebrate this occasion with you.

- * I ***congratulate you on your decision to join a law enforcement agency that serves our country with honor, valor, and integrity*** throughout the United States and abroad.

- * I also want to welcome the many family members, friends, and Field Operations employees, who are here to join in honoring your achievements.
- * (b) (7)(E) of you walked in this afternoon as trainees and (b) (7)(E) of you will leave this ceremony as sworn law enforcement officers.
- * I would like to commend you for successfully completing our basic training and welcome you to U.S. Customs and Border Protection, Office of Field Operations

CHOOSING A CBP CAREER

- * This is a proud day for all of you as your training is now complete and the next step of your career can begin
- * This is also a proud day for Field Operations as we welcome a new, earnest group of men and women who are joining us in support of our homeland security mission.

- * Some months ago, each of you made a very important and honorable decision.
- * In support of protecting our country and our citizens, you chose to begin or continue your public service career with U.S. Customs and Border Protection.
- * You have *dedicated your lives to protecting our homeland from terrorist threats and ensuring the freedom of the American people*
- * We are a force of more than 20,000 law enforcement officers at 20 field offices, overseeing 30 ports of entry throughout the country you are now *part of that proud family and tradition*.
- * Carrying out our mission is critical and minor mistakes cannot afford to be made ~~the~~ security of our country will be what suffices.

- * *Not everybody can do our job* It is a difficult and demanding job. It requires honed instincts and sound judgment We set ourselves apart from others by doing what we do everyday, stopping bad people and bad things from entering the United States.

PROFESSIONALISM/DEMEANOR

- * Regardless of which port of entry you will serve *our expectations will be high* however, you have chosen a *noble profession* for which there *is no greater honor* than the pride of knowing that you are an integral part of *protecting our nation and our way of life*
- * As a CBP officer, you are *a principal representative for our agency* and as such you *are required to demonstrate a superior level of professionalism at all times*
- * For many travelers, you will be the first person they will see or speak to when they arrive in the United States.

- * *Your appearance and demeanor should be nothing short of professional and respectful at all times.*
- * You hold a degree of *power and authority that should never be abused or misapplied*
- * And the decisions you make could severely affect a person's life or the safety and security of our country.
- * You will encounter a variety of challenging and times difficult situations as an officer.
- * You must always *project the highest level of professionalism, attentiveness, and honesty.*
 - o And this applies to *all aspects of your life*
- * Be cognizant of how you present yourself and *how* are represented even when you are not working

* *Your responsibilities do not end when you are no longer in uniform .*

- o Your behavior and actions both positive and negative— are a reflection of your character and your agency.

INTEGRITY

* There is a saying “*Integrity is doing the right thing, even if nobody is watching*”

* I hope you remember that quotation when you are alone, in a situation where you are being tempted to do the wrong thing.

* You will be *faced with many, many decisions* some simple and straight forward, some difficult.

* Those difficult decisions will be a struggle.

- * But you must *remain vigilant* and consider that *doing the right thing is n't always easy*, but you will always *maintain your integrity by doing so*
- * Whether at a port of entry or at a field office, you are primary gateway for individuals who want to get into the United States.
- * You will certainly be *faced with challenges* along the way. Your *morals and integrity may be tested*. There may be temptation to accept bribes or participate in activities that, while providing you with *short-term gain, will result in long-term misfortune*
- * In exchange for money, you could be asked to
 - o overlook or facilitate the use of false identification
 - o fail to notice human beings being smuggled into the country
 - o assist in moving narcotics across our borders
 - o make a fake drug seizure

- transport narcotics or people ~~yourself~~ using an agency vehicle
- * Unfortunately, I am able to provide *these examples because they have all occurred*
- * Many of these officers and Border Patrol agents involved in these *schemes have been caught, arrested, and are currently serving jail sentences.*
- * These individuals jeopardized the safety of all the citizens they were supposed to be protecting, citizens who trusted them to do so.
- * Their *careers, lives, and character are destroyed* due to making a bad decision in a difficult situation.
- * It is your *responsibility and your duty to remain committed to the job* you were hired to do, and most importantly, to *uphold an unparalleled level of integrity*

TRUST/DEDICATION

- * Our *mission of protecting our country's borders from terrorist threats while facilitating legitimate trade and travel is one of critical importance* In order to be successful, we are dependent upon *dedication, strength, and integrity of our CBP officers*—the first line of defense at our borders.
- * *CBP operates 24 hours a day, every day of every year* with no breaks, vacations, closings, and certainly with no margin for error.
 - o You are the *guardians of our ports of entry*
 - o You have been *entrusted with preventing bad people and bad things from getting into our country*
- * CBP is an agency of service—and each of you performs a *unique and valuable role*

- * You make CBP what it is today *one of the largest and most strategic law enforcement agencies* of our government.

DECISION MAKING

- * I would like to share with you some recent *examples of officers who, through training and alertness are able to remain vigilant to stop any attempts of illegal activity, even in the face of adversity and in less than optimal conditions.*
- * On Wednesday, September 14, 2011, at about 10:45 a.m. at the San Ysidro port of entry there was a *collapse of scaffolding being used for construction*. To safeguard the public and CBP personnel, the port was closed until the situation could be assessed.
- * CBP officers immediately secured the port. As the port reopened, CBP officers *remained vigilant to stop any attempts at illegal activity*.

- * At about 11 p.m., CBP officers screening travelers entering the border by foot stopped a 54-year-old male U.S. citizen for questioning. BP officers subsequently found *two packages of marijuana, weighing seven pounds, taped to the man's abdomen and thighs*. They arrested the man and seized the marijuana.
- * Earlier that same day, at approximately 9:15 p.m. at the nearby Otay Mesa passenger port, a CBP officer screening vehicles and travelers waiting for inspection (b) (7)(E) a 34-year-old female U.S. citizen driving a 1999 Ford Explorer. The officer (b) (7)(E) escorted her and the vehicle for a more in-depth examination resulting in the discovery and *seizure of 58 pounds of marijuana, the arrest of the woman, and seizure of the vehicle*
- * On Thursday, September 15th at the San Ysidro border crossing at about 4:30 a.m., a canine team was screening vehicles waiting to enter the United States when a (b) (7)(E) dog alerted to a 2004 Ford Ranger driven by a 22-year-old

male U.S. citizen. CBP officers escorted the man and vehicle for further inspection where they discovered *17 wrapped packages of methamphetamine weighing 39 pounds inside the gas tank of the pickup truck. The man was arrested and the drugs and vehicle were seized*

- * The largest seizure occurred Thursday, September 1st at about 9 a.m. at the Otay Mesa cargo facility after a 29-year-old male Mexican citizen, driving a 1996 Kenworth tractor pulling a trailer, entered the port with cargo manifested as plastic materials. During questioning, the CBP officer

(b) (7)(E)

referred the driver and conveyance for an intensive examination resulting in the discovery of *404 large wrapped packages of marijuana, weighing 7,903 pounds. The driver was arrested and the marijuana and tractor-trailer were seized*

- * During this time, CBP officers also *stopped 116 illegal aliens who attempted to illegally enter the country* hidden within vehicles, or by presenting fraudulent documents or valid documents not legally issued to them, some had been previously deported.
- * The CBP officers working at San Diego area border crossings over the *two days confiscated more than 8,800 pounds of marijuana, cocaine, and methamphetamine valued at \$8.2 million and stopped the entry of more than 116 inadmissible aliens*
- * The fact that the port and field office still maintained an *excellent enforcement posture* given the challenges they faced-- is a *true credit to the port of San Ysidro, the San Diego Field Office, and to U.S. Customs and Border Protection as a whole*

FUTURE FOR OFFICERS

- * The responsibilities and roles that fall under the purview of Field Operations are diverse and robust.

- * This is a distinct milestone and the endeavors and challenges you will be encountering as an officer, I assure you will be rewarding.
- * As a hardworking and dedicated officer, *your options will be limitless*
- * There will be *opportunities to be stationed* throughout the country, and even abroad, to spend time at Headquarters in Washington D.C.
- * *You control your destiny*
- * *If you want to be a Supervisor or Program Manager or Port Director -you can absolutely do it and we encourage you to do so*

- * Officers are promoted when they are known to be *reliable, professional, responsible, ambitious, and dedicated to the well-being of our agency*

CLOSING

- * This is a poignant transition for you. It is the culmination of 19 weeks of intensive training
- * But it is the beginning of a challenging and rigorous time in your lives that requires the *highest level of integrity and professionalism*
- * Be honest, be strong, be motivated *and do not get distracted from your duties as a CBP officer*
- * The one thing that will never change our mission- we are responsible for preventing terrorists from entering our country.

- * In our *core values*, we quote *“We are guided by the highest ethical and moral principles. Our actions bring honor to ourselves and our agency.”*
- * It is up to you, me and the rest of the employees in this agency to *assure the public that we will not waver in upholding these core values.*
- * You have accepted the *greatest of responsibilities to protect and serve our Nation.* This is a responsibility that few understand but from which we all benefit. There will be many *sacrifices you will be called upon to make* from missing children's school activities to working extra hours but there *will be great rewards* as well.
- * You have been *called to duty and I welcome you, our agency welcomes you. We are the guardians of our Nation's borders. We are America's frontline. Today you have answered that call*
- * *Congratulations!*

OFO Acting Assistant Commissioner Kevin McAleenan
CBP Officer Basic Training Graduation
CBPOBT Session 287
Glynco, Georgia
December 27, 2011

INTRODUCTION

- * Thank you. First, I would just like to say ***Congratulations to all of our new graduates.***
- * It is my pleasure to join you for the Graduation Ceremony for the ***CBP Officer Basic Training Session 287***. It is an honor to celebrate this occasion with you.
- * I ***congratulate you on your decision to join a law enforcement agency that serves our country with honor, valor, and integrity*** throughout the United States and abroad.
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- * And the decisions you make could severely affect a person's life or the safety and security of our country.
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- * In exchange for money, you could be asked to
 - o overlook or facilitate the use of false identification
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 - o assist in moving narcotics across our borders
 - o make a fake drug seizure

- o transport narcotics or people yourself using an agency vehicle
- * Unfortunately, I am able to provide *these examples because they have all occurred*
- * Many of these officers and Border Patrol agents involved in these *schemes have been caught, arrested, and are currently serving jail sentences*
- * These individuals jeopardized the safety of all the citizens they were supposed to be protecting citizens who trusted them to do so.
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- * CBP is an agency of service and each of you performs a *unique and valuable role*

- * You make CBP what it is today *one of the largest and most strategic law enforcement agencies* of our government.

DECISION MAKING

- * I would like to share with you some recent *examples of officers who, through training and alertness, were able to remain vigilant to stop attempts of illegal activity, even in the face of adversity and in less than optimal conditions*
- * On Wednesday, September 14, 2011, after *CBP Officer Basic Training Session 28* had already begun, scaffolding used for construction collapsed about 10:45 a.m. at the San Ysidro port of entry. To safeguard the public and CBP personnel, the port was closed until the situation could be assessed.
- * CBP officers immediately secured the port. As the port reopened, *CBP officers remained vigilant to stop any attempts at illegal activity*

- * At about 11 p.m., CBP officers screening travelers entering the border by foot stopped a 54-year-old male U.S. citizen for questioning. BP officers subsequently found *six packages of marijuana, weighing seven pounds, taped to the man's abdomen and thighs*. They arrested the man and seized the marijuana.

- * Earlier that same day, at approximately 9:15 p.m. at the nearby Otay Mesa passenger port, a CBP officer screening vehicles and travelers waiting for inspection (b) (7)(E) a 34-year-old female U.S. citizen driving a 1999 Ford Explorer. The officer (b) (7)(E) escorted her and the vehicle for a more in-depth examination resulting in the discovery and *seizure of 158 pounds of marijuana, the arrest of the woman, and seizure of the vehicle.*

- * On Thursday, September 15th at the San Ysidro border crossing at about 4:30 a.m., a canine team was screening vehicles waiting to enter the United States when a (b) (7)(E)

dog alerted to a 2004 Ford Ranger driven by a 22-year-old male U.S. citizen. CBP officers escorted the man and vehicle for further inspection where they discovered *7d wrapped packages of methamphetamine weighing 39 pounds inside the gas tank of the pickup truck. The man was arrested and the drugs and vehicle were seized*

- * The largest seizure occurred Thursday, Septemberth 1st about 9 a.m. at the Otay Mesa cargo facility after a 29-year-old male Mexican citizen, driving a 1996 Kenworth tractor pulling a trailer, entered the port with cargo manifested as plastic material. During questioning, the CBP officer (b) (7)(E) referred the driver and conveyance for an intensive examination resulting in the discovery of *404 large wrapped packages of marijuana, weighing 7,903 pounds. The driver was arrested and the marijuana and tractor-trailer were seized*

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- * The CBP officers working at San Diego area border crossings over the ***two days confiscated more than 8,800 pounds of marijuana, cocaine, and methamphetamine valued at \$8.2 million and stopped the entry of more than 116 inadmissible aliens***
- * The fact that the port and field office still maintained an ***excellent enforcement posture*** given the challenges they faced is ***true credit to the port of San Ysidro, the San Diego Field Office, and to U.S. Customs and Border Protection as a whole***
- * The scaffolding collapse at San Ysidro was an isolated incident. It won't happen again. But other things will. You can expect the unexpected on America's frontline.

FUTURE FOR OFFICERS

- * The responsibilities and roles that fall under the purview of Field Operations are diverse and robust.
- * It's been *over 30 years now, but I have been in your position* and have experienced probably the same fear, excitement, anxiety, and uncertainty that you all are feeling today.
- * This is a distinct milestone and the endeavors and challenges you will be encountering as an officer, I assure you will be rewarding.
- * As a hardworking and dedicated officer *your options will be limitless*
- * There will be *opportunities to be stationed* throughout the country, and even abroad, to spend time at Headquarters in Washington D.C.

- * *You control your destiny*
- * *If you want to be a Supervisor or Program Manager or Port Director -you can absolutely do it and we encourage you to do so*
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CLOSING

- * This is poignant transition for you.
- * It's the *beginning of a challenging and rigorous time* in your lives that requires the *highest level of integrity and professionalism*
- * Be honest, be strong, be motivated *and do not get distracted from your duties as a CBP officer*

- * The one thing that will never change is our mission. We are responsible for preventing terrorism entering our country.
- * In our *core values*, we quote *“We are guided by the highest ethical and moral principles. Our actions bring honor to ourselves and our agency.”*
- * It is up to you, me and the rest of the employees in this agency to *assure the public that we will not waver in upholding these core values.*
- * You have accepted the *greatest of responsibilities to protect and serve our Nation.* This is a responsibility that few understand, but from which we all benefit. There will be many *sacrifices you will be called upon to make* from missing children's school activities to working extra hours but there *will be great rewards* as well.

* You have been *called to duty and I welcome you, our agency welcomes you. We are the guardians of our Nation's borders. We are America's frontline. Today you have answered that call*

* *Congratulations!*

Oral Statement
Acting Assistant Commissioner, Office of Field Operations
Kevin K. McAleenan
“Balancing Trade and Security:
Protecting our Ports, Facilitating Commerce and Securing the Supply Chain
House Committee on Homeland Security / Border and Maritime Subcommittee
Washington, DC
February 7, 2012

Madam Chairman, Ranking Member Cuellar and esteemed members of the subcommittee, it's a privilege and honor to appear before you today to discuss U.S. Customs and Border Protection's work to balance maritime security and trade facilitation.

Protecting the country from dangerous shipments and enhancing the security of the global supply chain while expediting legitimate commerce. Customs and Border Protection, or CBP, is charged with managing the physical access to our economy and our nation at ports of entry. At the core of that responsibility, we are on the front line to protecting our nation from threats, including those that could potentially be introduced in cargo shipments.

Just as importantly, CBP is on the front lines of protecting our economic future by facilitating legitimate trade through our ports. Through the use of better information, technology, partnerships, we have been able to form the most effective supply chain security structure in the world, helping to reduce transaction costs for U.S. business and provide an environment where U.S. security and business interests can work together toward our common mission.

To meet our responsibilities, we work to identify and address potential threats before they arrive at our ports. This requires that we secure the flow of cargo at each stage of the supply chain, the point of origin, while in transit, and when it arrives in the United States. To accomplish this, CBP pursues a multi-layered approach to security, segmenting cargo by potential risk and examining it as early as possible in the process. Although often presented as being in tension or conflict, our security and trade facilitation missions are mutually supporting. By utilizing risk-based strategies we can focus our time and resources on the small percentage of goods that are higher risk, which in turn allows us to expedite trade that is low risk, or about which we already know a great deal.

Our multi-layered approach is based on the following core elements: obtaining information about cargo shipments as early in the process as possible; using sophisticated targeting techniques to assess each shipment for risk; partnering with the private sector to secure supply chains, from the manufacturer to the importer; working with foreign governments and international organizations like the

World Customs Organization to harmonize and enhance approaches to supply chain security; and maintaining a robust inspection regime, including non-intrusive inspection equipment and radiation detection technology at our ports of entry. I'm sure these elements are

quite familiar to the subcommittee, and especially in light of how these tenets are fundamental to the approach taken in the new national strategy.

Over the past several years DHS and CBP, often working closely with you and your staff, have achieved significant advances on both cargo security and trade facilitation. Allow me highlight a few.

With your support, we have implemented the Importer Security Filing, or "10+2." Building on the 24-hour rule, this program provides additional insight into the supply chain, allowing us to identify potential risks more accurately and allowing our trade partners to identify inefficiencies in their processes. We have developed and enhanced the unique capabilities of the National Targeting Center for Cargo to proactively analyze advance cargo information using the automated targeting system, which allows us to take action before shipments are loaded onto vessels and aircraft destined for the United States.

The CBP Trusted Shipper Program, the Customs Trade Partnership Against Terrorism, or C-TPAT, has long been recognized as a model for true collaboration between government and business. Today there are over 10,000 members, representing over 55 percent of the imported value into this country. And while terrorism will remain the primary C-TPAT focus, we will explore ways to collaboratively address other threats that have the potential to compromise the supply chain, including drug smuggling, weapons trafficking, and trade and import safety violations.

Under the Container Security Initiative, or CSI, CBP continues to work with our international partners to mitigate the threat that high-risk maritime cargo presents. In fact, leaves the foreign port. Today CBP-CSI maintains operations at 58 ports in 32 countries, screening approximately 80 percent of the maritime cargo being shipped to the United States, and we are continuing our aggressive deployment and use of advanced imaging systems and radiation detection equipment at our ports. This non-intrusive inspection technology allows us to work smarter and more efficiently in recognizing potential threats.

These highlights demonstrate that CBP remains at the forefront of supply chain management, and I am confident that the approach laid out in the national strategy represents an effective way forward building on these existing programs.

Thank you again for the opportunity to testify about CBP's commitment to enhancing cargo security and trade resilience. We look forward to continuing to work with the subcommittee on these issues, and I will be happy to take any of your questions.

**Closing Remarks for OFO Acting Assistant Commissioner
Kevin McAleenan**

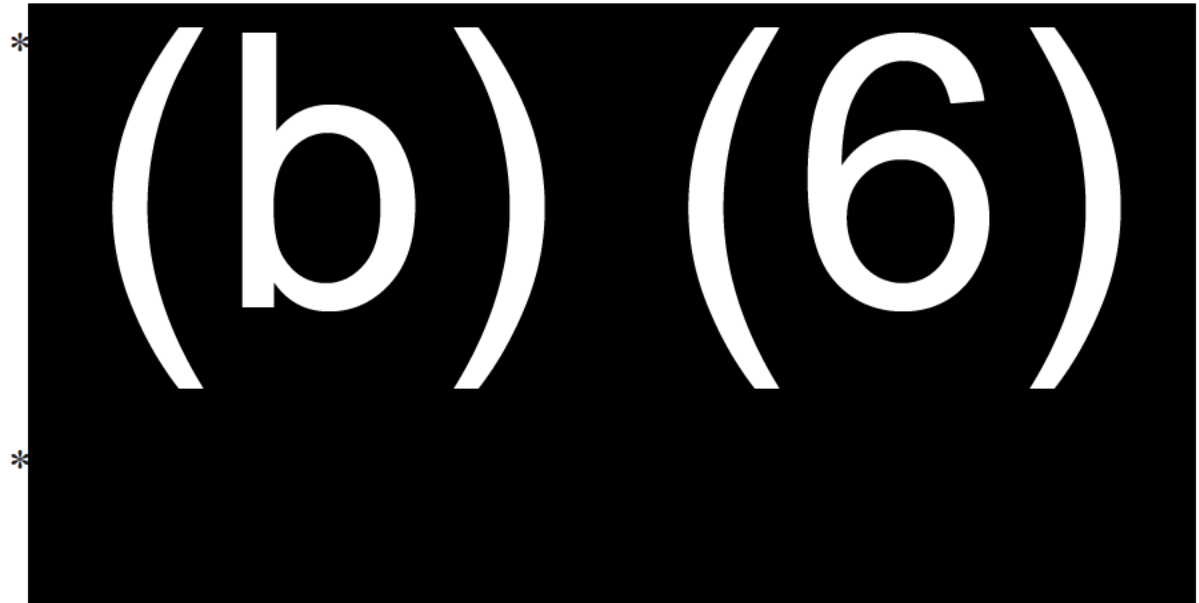
CBP Officer Basic Training Graduation Session 297
Glynco, Georgia March 30, 2012

- * Hello everybody. Good afternoon and thank you for the warm welcome.
- * It is my pleasure to join this Graduation Ceremony for the CBP Officer Basic Training Session 297
- * Congratulations to all of today's graduates. I commend you for successfully completing your basic training and joining CBP Field Operations.

[Optional Humor Section]

- * *I want to especially thank Acting Commissioner Aguilar for two things today*

* *First of all, he saved me from having to do the longest speech of the day*



[Pause]

* Let me also not forget to thank the many family members, friends and Field Operations employees who are here to honor our new law enforcement officers.

* There are a lot of proud parents, families and friends here today.

- * I know you are all anxious to shake hands and take photographs, so I will keep these remarks brief
- * But while you are still in a receptive mood, I want to remind you again of something that -- and CBP as an organization -- take very seriously.
- * ...Our core values. **Vigilance...Service to Country...and Integrity.**
- * Vigilance can be taught. This was an important part of your basic training.
- * Service to Country is what we dedicate ourselves and our careers to doing. It comes from the heart.
- * Integrity, however, is more than seeing and doing. It is more than the badge we wear.

- * Integrity is who we are. Who we are as individuals who we are as a family. who we are as a Nation.
- * ...And who we are as CBP officers
- * Law enforcement is extremely important and respected profession. But you will likely encounter unexpected challenges, temptations and moral dilemmas along the way.
- * Doing the right thing is not always easy but it is always right. Integrity is the cornerstone of CBP.
- * The jobs and responsibilities within Field Operations are incredibly diverse.
- * As a hardworking and dedicated CBP officer your options are not almost limitless. They are limitless.
- * Seize opportunities as they present themselves.

- * Spend time in the Field. Spend some time at Headquarters.
- * Further your education when you can
- * Think of yourself as an emerging leader now...because you are the future of CBP.
- * Congratulations again to all of our graduates And thank you for giving me the opportunity to join you, your family and friends on such a wonderful day.

###



U.S. CUSTOMS AND BORDER PROTECTION
OFFICE OF FIELD OPERATIONS

MAYNARD H. JACKSON JR.
INTERNATIONAL TERMINAL

OPENING CELEBRATION
MAY 3, 2012

Assistant Commissioner Kevin K. McAleenan



Goodevening It is a pleasure to be here in Atlanta to celebrate the new Maynard H. Jackson Jr. International Terminal and it is a privilege to share with you the mission of U.S. Customs and Border Protection (CBP) – particularly the tremendous dedication of our men and women in the field at ports of entry.

I'd also like to thank Aviation General Manager (b) (6) for his leadership in

bringing private and Federal stakeholders together to build a world class international terminal for the city of Atlanta

This achievement has all the hallmarks of success partnership, collaboration and communication

Securing America's borders from those that would do us harm is CBP's top priority.

CBP deploys the government's largest law enforcement workforce to protect at and between ports of entry

CBP Field Operations is supported by air and marine assets. A safe and secure homeland requires that we maintain effective control of our air, land, and sea borders to not only protect the United States from threats from abroad but also enable the safe and efficient flow of lawful travel and commerce.

CBP also continues to perform our traditional missions, which include stemming the flow of illegal drugs and contraband, protecting our agriculture and economic interests from harmful pests and diseases, protecting American businesses

from the theft of their intellectual property, regulating and facilitating international trade, collecting import duties, and enforcing United States trade laws.

In a typical day at the Port of Atlanta, CBP processes between 13,000 and 18,000 passengers arriving on 80 international flights, and performs over 1,100 entry releases of cargo

While expediting legitimate trade and travel, the Port of Atlanta also:

- * successfully manages applications for admission to the United States

- * intercepts dangerous narcotics
- * seizes illicit funds coming into the U.S.
as well as moving outbound;
- * seizes dangerous weapons and
ammunition coming into the U.S. and
moving outbound internationally;
- * intercepts counterfeit goods that violate
trademark and copyright laws as well as
pose potential hazards to consumers;
- * seizes prohibited plant, meat and animal
byproducts and
- * intercepts potentially dangerous pests
that could harm our Nation's crops and
natural resources.

A critical component to effective operations is the necessary partnership between CBP and airlines and airport authorities. As we continually strive for a balance between securing our borders and expediting legitimate trade and travel, the working relationship we have with you is an integral part to all of our efforts. It is also imperative that we continue to work closely with our fellow agencies along our borders to enforce the laws and oversee the international movement of people and goods.

CBP is committed to improving our processes for expediting travelers into the United States. The Model Ports Initiative a partnership between CBP, the private travel industry, and other Federal agencies, is the keystone of our efforts to strengthen border security through advanced technologies while at the same time providing a more welcoming experience, reduced wait times, and better customer service

We have increased staffing and professional training at our ports of entry, installed new signage and updated our website (www.cbp.gov).

We also have introduced Global Entry a trusted traveler program to expedite entry into the country. Global Entry (GE) enrollment in Atlanta has passed the 22,000 mark and has led to the expedited clearance of over 200,000 travelers since the inception of the program here in Atlanta. The Port of Atlanta has also now expanded to 26 Global Entry kiosks for arriving members to utilize at Atlanta Airport.

I would like to reinforce and reiterate our important efforts at and beyond the ports of entry to work to secure the border. While

security will always be CBPs primary mission— and the key to maintaining travelers' confidence as I've mentioned— we continue to make the process of entering the U.S. more streamlined, user-friendly and understandable.

Our ability to work together, whether with industry, government and law enforcement partners or foreign governments, is vital to our long-term success in these endeavors.

These efforts, combined with the layered approach to leveraging our technology, infrastructure and people, truly define our

ability to address the threats at our Nation's borders.

Thank you for the opportunity to describe CBP's border security efforts and to highlight some of our progress to date.

With your continued support of DHS and CBP, I am confident that we will continue to make tremendous strides gaining new processing efficiencies while increasing control of our borders

It is my commitment to all of you that CBP will continue working hard to bring additional innovations to the passenger processing experience, so that Atlanta-bound travelers are processed efficiently and so that the traveling public will know—when they enter the United States through Maynard H. Jackson Jr. International Terminal—that they have arrived at a premier international facility

Thank you.

Keynote Address

**Acting Deputy Commissioner
Kevin K. McAleenan**

**CBP Officer Basic Training Graduation
Session 326
Glynco, Georgia
May 21, 2012**

Welcome

Thank you, Deputy Director Brown, for that kind introduction. Good afternoon everyone and thank you for the warm welcome.

It is my honor to join this Graduation Ceremony for the CBP Officer Basic Training Session 326. I commend all (b) (7)(E) of you for successfully completing your basic training and joining CBP Field Operations.

I also want to thank the many family members, friends, and Field Operations employees who are here to honor our new

law enforcement officers and to recognize their achievements

It's a proud day for each of you, as your training is complete and the next step of your career begin in support of our vital homeland security mission.

Choosing a CBP Career

Some months ago, each of you made a very important and honorable decision.

In support of protecting our country and our citizens, you chose to begin or, as is the case for many of you, continue-- your public service career with U.S. Customs and Border Protection.

You have dedicated your lives to protecting our homeland from terrorist threats and ensuring the freedom of the American people. I cannot think of a more worthwhile endeavor.

This is a proud day for Field Operations, as we welcome a new group of men and women who are joining us to help us carry out our critical mission and to drive our organization forward.

A Look Back

After the tragic events of September 11th, our national security mission was completely restructured, creating the Department of Homeland Security.

Since the inception of CBP under DHS in 2003, our duties and responsibilities as Officers have grown exponentially.

We have graduated 50 ~~classes~~ in 12 years. Fifty classes ago, many of our key programs and processes were just ideas— some would even say wishful thinking

However, increases in manpower, significant technology enhancements including sophisticated risk-based targeting,

and world-wide partnerships have enabled CBP to turn those ideas into reality.

CBP now starts its security protocols well beyond our shores— looking at the entire flow of individuals and cargo – using a layered, risk based analysis that is both more efficient and more effective

Today's Challenges

Field Operations has 20 field offices, overseeing 329 ports of entry throughout the country.

Each and every day:

- CBP processes nearly 1 million passengers and pedestrians and permits the entry of more than 66,000 truck, rail, and sea containers;
- CBP seizes more than 1,000 pounds of narcotics

- CBP intercepts nearly \$275,000 in unreported or illicit currency, and
- CBP arrests an average 54 wanted criminals at our ports of entry

The American public- travelers and traders know that our law enforcement mission is of paramount importance keeping our borders safe and secure.

The American public- indeed, the entire world recognizes that CBP is premier law enforcement agency and many countries come to us to learn the best techniques in border security, passenger processing, and trade facilitation.

But what the American public might not realize is how important CBP is to our Nation's economic growth.

To put it in perspective:

- The one million international travelers we welcome every day at our land, sea, and air ports of entry support 1.2 million jobs and \$28 billion in wages here in the U.S.
- One job is created in the U.S. for every 33 overseas visitors, and U.S. trade supports 38 million jobs.
- CBP collects \$105 million in fees, duties, and tariffs on a typical day. Last year, that translated to processing \$2.3 trillion in total trade value.
- In fact, CBP is the Nation's second-largest revenue generator—second only to the Internal Revenue Service—*and probably a lot more popular!*

[pause]

New Generation

Yours is one of the first classes to reap the benefits of a new, more dynamic and more rigorous Academy curriculum, thanks to the vision of Commissioner Winkowski, and its implementation by Director Strong.

The new curriculum is clearly working: I have heard excellent reports from CBP Directors of Field Operations and Port Directors about the new cadre of officers, whose professionalism, esprit de corps, and enthusiasm for CBP mission is quite impressive.

You represent a new generation of CBP officer.

Your commitment and dedication are rooted in a decade of tradition forged by your predecessors and by their predecessors at legacy agencies whose rich histories we embrace as part of a new CBP

At the same time, you stand at the threshold of a new era an era that will be marked by transformations in the way CBP does business.

That transformation and your role in it – is vitally important to the success of CBP mission.

You'll be using new technologies your predecessors only dreamed about. Mobile communications, automated passport control, paperless forms, pedestrian kiosks, radio frequency identification technology these improvements and many more are changing the face of CBP, making us more effective and more dynamic as a leading law enforcement enterprise

Given the vast volumes of traffic crossing our borders, finite personnel resources, and the imperative that CBP facilitate lawful travel and trade, you will engage more sophisticated risk management and threat analysis, in a more intelligence-driven agency.

Strong Foundation

CBP has a strong foundation to meet the challenges that lie ahead. This foundation rests on **five essential truths**

First, you are joining an organization which has what I believe is the most compelling **mission** in law enforcement.

Simply put, we are the guardians of our Nation's borders. Our mission is to protect the American public against terrorists and the instruments of terror. We steadfastly enforce the laws of the United States while fostering our economic security through lawful international trade and travel

Second, we are an agency with broad and unique legal **authorities** and tremendous operational capabilities.

Third, those **capabilities** are limitless Thanks to

our ability to hire the best and the brightest and I'm looking at them here today CBP can accomplish anything.

Fourth, our people believe in our mission and we believe in our people because we truly recognize ~~that~~ as our greatest resource.

Fifth, our organizational culture is built on CBP's core values of vigilance, integrity, and service to country.

Core Values

Just a few words about those core values.

A lot is happening at CBP and a lot is changing. But one thing that will never change is our commitment to our core values: Integrity, Vigilance, and Service to Country.

My vision for Field Operations, given our strengths, mission, authorities and capabilities, is that we can develop into the finest and most professional law enforcement organization in the world. You are at the vanguard of that effort. The training curriculum, drill and ceremony, pride and confidence Integrity.

I see the look in your eyes. I saw it this morning.. the esprit de corps. We need you to carry that with you and help infuse your ports with that spirit of professionalism, discipline, and teamwork, attention to appearance, how we project ourselves. It is inspiring and infectious. Go and learn from the experienced personnel at your ports while also leading by example and sharing what you have learned here.

One critical aspect of that integrity. There are significant temptations and pressure from criminal organizations. We are only as strong as our weakest links. If we lose integrity, we lose our legitimacy and make no mistake the

public trust that you will assume as you take your place on our frontline is sacred. You owe it to yourselves to each other- to the organization and the American people to uphold the values you passionately expressed this morning.

Remember Integrity is who we are Who we are as individuals... who we are as a family who we are as a Nation.

...And who we are as CBP officers

That brings me to Vigilance. Vigilance is the lifeblood of any law enforcement agency, but especially an agency that stands sentry at our borders.

- * Vigilance has been instilled in you through your coursework at the Academy, and it will be reinforced in the Field.

- * Your attention to your duty must be unwavering. Your professionalism cannot be questioned. There is no margin for error. Quite simply, here are no “do-overs.”
- * Naturally, you all are here because of your commendable commitment to Service. And service comes in all shapes and sizes.
 - Service is preventing ~~one~~ – or one ounce of narcotics from getting through our ports of entry.
 - Service is intercepting weapons and unreported currency and counterfeit goods.
 - Service is arresting fugitives and preventing criminals and potential terrorists from ~~entering~~ entering the country

- But if I have learned anything in my years here at CBP, it is that our workforce also serves in many other ways, from delivering babies and performing CPR to assisting in disaster recovery efforts like Superstorm Sandy and Hurricane Katrina that has become part of our resilience as a nation

In Closing

Let me close by saying a few words about the career journey you are about to embark upon. Each of you has an incredible opportunity to pursue a rich, varied, and meaningful career in Field Operations. You can define your own path. You can work in 400 locations in over 35 countries around the world. You can develop world class expertise in anti-terrorism, intelligence, advanced systems, and technology. Embrace this opportunity

Thank you to the families and friends spouses, children, significant others, siblings for supporting these men and women— these CBP Officers. You are part of the CBP family now and we respect and appreciate you as much as we need you. I look forward to seeing each of you back at your ports. Don't let me walk by without a handshake and a "3-2-6th".

So get out there. Work hard and stay hungry for the mission. Take care of each other - ~~use~~ use the connections you have developed here and make new ones at the ports. Make smart choices, on and off duty. And maybe most importantly **welcome and take pride in your new role.**

Best of luck to each of you.

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Acting Assistant Commissioner McAleenan's Opening Remarks

**Hearing on "U.S. Caribbean Border: An Open Road for Drug Traffickers and
Terrorists "**

before the

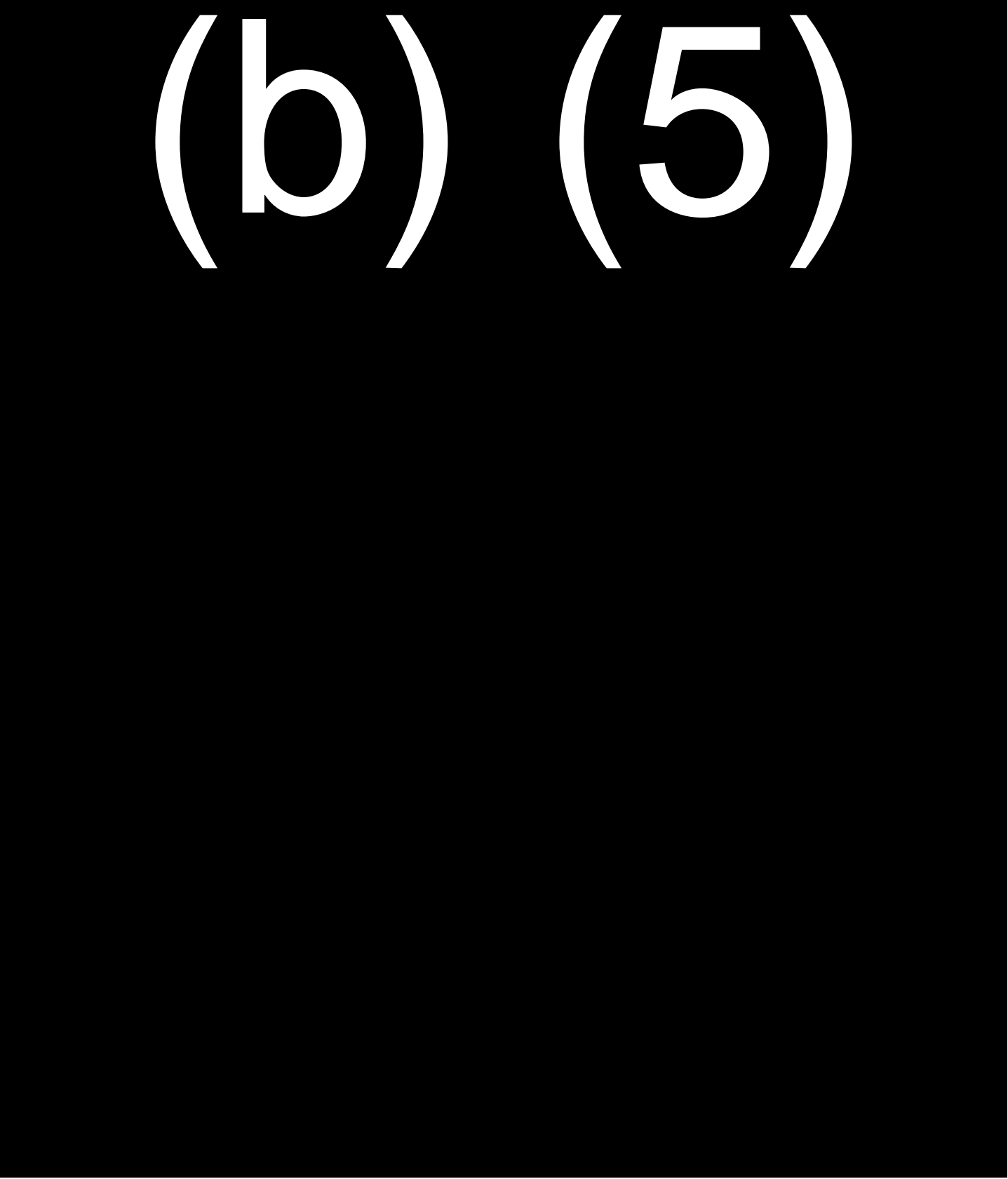
House Committee on Homeland Security

Subcommittee on Oversight, Investigations and Management

Thursday, June 21, 2012

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Oral Statement
Acting Assistant Commissioner, Office of Field Operations
Kevin K. McAleenan
Preventing Terrorists from Coming to America
House Committee on Homeland Security, Border and Maritime Subcommittee
Washington, DC
September 11, 2012

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Acting Assistant Commissioner Kevin K. McAleenan
Second Level Command Preparation (SLCP)
Global Borders College
December 6, 2012

[Introduction]

Thank you, _____, for that introduction.

Good afternoon, everyone.

I would also like to thank the Second Level Command Preparation (SLCP) Leadership for inviting me to the advance training center today.

The ATC leadership program plays a key role in addressing the challenges faced by all of CBP's operational components.

Graduates...It's an honor to be here to help you mark the completion of the first two phases of this innovative Second Level Command Preparation (SLCP) course.

During these introductory phases you focused on learning analytic problem solving techniques...and applying what you learned to complex problems.

You focused on ethical decision making and long-term strategic thinking. This is crucial to our success in the future...but not easy to do in the midst of our daily mission requirements.

Now comes the hard part.

The hands-on part.

The exciting part.

The real part.

Over the next two weeks you will identify “areas of interest” within your specific responsibility, or position of influence.

You will then develop “Leader Action Plans” that identify problem issues at your work locations...

...and, with the support of your chain of command, implement a corrective approach to those issues.

This is the kind of leadership that CBP needs from its second-line supervisors...

...Especially now when our mission to protect our borders and facilitate legitimate travel and trade is facing a time of constrained resources.

You are among the pioneers of this new CBP leadership development process.

The first Second Level Command Preparation (SLCP) pilot class was held last year...and there have only been about (b) (7)(E) graduates to date.

Although your class is small in numbers, I am confident your impact on our agency will be larger than its size.

And I am equally sure that the graduates of Second Level Command Preparation (SLCP) training will be the senior leaders of tomorrow.

It was a year ago that I became the Acting Assistant Commissioner of the Office of Field Operations.

Like you, I have been thinking quite a bit about leadership recently.

Over the years I have read many good books on leadership. You probably have, too...on your own...and as part of this course.

Some say it's an art, others a science. It's probably a bit of both.

Good leadership, in my view, always expresses a positive. It's most effective when it inspires esprit de corps, the common group spirit united in a task or goal.

Successful organizations understand that good leadership comes at all levels, regardless of title.

An idea expressed in your “Leader Action Plans” for this course, for example, may have a wider impact on our operations.

Just as there are multiple definitions for leadership, there are many ways to lead.

A leader motivates and inspires. Leaders influence others to take initiative and reach for higher goals.

They create opportunities for others to perform at their highest level. They accept responsibility when things don’t work out and give credit where it’s due.

Leaders are role models. They are not only looked up to by their peers and subordinates, but also...and I will let you in on a little secret...by their superiors. Good leadership expands outward in all directions.

Communication, as you have learned in your Second Level Command Leadership (SLCP) training, is a core competency of leadership.

You will have a chance to test your communication skills, confidence, and powers of persuasion in the next phases of this course.

Leaders must be able to articulate well-organized concepts, thoughts, goals, and objectives in both verbal and written form.

How are your writing skills by the way?

If you want to make it to the top of the leadership scale, the ability to write well is a must. If you don't have it, work to get it.

And learn how to listen.

Skilled leaders understand that communication is not just expressing their message...but actively listening to

others so that the combined message can be translated into action.

Assistant Commissioners listen a lot, too, both up and down the chain.

Drawing from what I've learned during my time with CBP I've formulated what I consider the "Five Hallmarks" of a premier law enforcement agency

The first hallmark is Mission

CBP already has the most compelling, astonishingly-wide mission in law enforcement.

This mission encompasses three border fronts...the Northern Border, Southern Border, and the Caribbean.

Our mission strikes a critical balance between ensuring homeland security and stoking the engine of the U.S. and global economy.

The second hallmark of a premier law enforcement agency is Authorities.

CBP's authorities are as diverse as its mission.

We have the broadest authorities of any Federal organization, enforcing the rules and regulations of more than 40 other Federal agencies...and assisting countless state and local law enforcement partners.

CBP's Mission and Authorities are well-established. Our third hallmark is Capabilities. This hallmark and the two that follow will provide you with plenty of leadership challenges in the future.

CBP is a dynamic and innovative agency, constantly transforming...and adopting new technologies.

But to stay dynamic and innovative, we must examine our capabilities under the "microscope" and be relentlessly self-critical.

We need to ensure our transformations meet the growing challenges of increased travel and trade...and that our new technologies result in more efficient and sophisticated targeting and inspections.

The fourth hallmark is People.

CBP's workforce is its greatest resource. You've heard this before...but that's because it's absolutely true.

We must capitalize on our people's talent and diversity to accomplish our Mission... enforce our Authorities...and build our Capabilities.

CBP has made tremendous strides in improving the quality of our online, on-the-job and classroom training.

Second Level Command Preparation (SLCP) is a good example.

We need to nurture and reward leadership competencies and underscore the fact that

everyone has a contribution to make to CBP's future.

The fifth hallmark is Organizational Culture.

CBP's diverse mission, authorities and workforce presents a challenge in itself.

Our merger into the Department of Homeland Security brought together the long-standing operational cultures of Customs, Immigration, Agriculture and even more recently, Air and Marine.

There are still some sticking points. But they are manageable.

As we move toward our 10th anniversary on March 1, 2013, we need to create the *esprit de corps* that will take CBP to even greater heights than it is today.

I am proud of you all. I look forward to your continued success as we make that climb...together.

Congratulations once again.

**I will be glad to answer – or at least try to
answer – any questions you might have.**

#

Acting Assistant Commissioner Kevin McAleenan
Change of Command Ceremony
DFO San Diego Pete Flores
February 13, 2013

Master of Ceremonies (b) (6)

INTRODUCTION

- Thank you, (b) (6)
- Hello, everyone. Thank you for joining me today to welcome Pete Flores as the Director Field Operations, San Diego
- Mr. Flores's new position was officially announced in November when he replaced Chris Maston, who is now Executive Director, Operations, at Headquarters.
- I am happy to help pass the torch from one highly respected CBP leader to another.
- The San Diego Field Office is one of our most active field offices. San Ysidro alone is the busiest land border crossing in the entire Nation. About two million inspections are performed there each month.
- Mr. Flores also has overall responsibility for the land border crossings at Otay Mesa, Tecate, Calexico, and Andrade.
- In the air environment he oversees CBP operations at the San Diego International and Palomar airports.
- His seaport administration includes the Tenth Avenue Marine Terminal cargo facility and the B Street Cruise Terminal.

- I applaud Mr. Flores for stepping up to assume CBP leadership positions in these challenging times.
- While threats to our Nation have not diminished, ~~we~~ must meet them with reduced resources and forward thinking, innovative technology. [Example?]
- CBP has never needed good leadership more ~~than~~ today.
- Mr. Flores plays a key role in both enforcement and facilitation in a culturally sensitive border region where travel and trade are vital to the economic health of the area.
- During Fiscal Year 2012, the San Diego Field Office continued the top in terms of enforcement. Nationwide, it accounted for approximately
 - 17% of CBP's cocaine seizures,
 - 34% of its marijuana seizures,
 - 35% of its heroin seizures, and
 - 69% of its methamphetamine seizures
- In Fiscal Year 2012, the San Diego Field Office ~~interdicted~~ interdicted:
 - 24% of CBP's National Criminal Information (NCIC) arrests,
 - 43% of vehicle seizures, and intercepted
 - 71% of fraudulent document nationwide.

- These are impressive numbers.
- But the San Diego Field Office more than arrests and seizures.
- San Diego International Airport, one of CBPs model airports, is the second busiest single-use runway in the world, handling about 550 arriving and departing flights each day, carrying more than 17 million travelers a year.
- Global Entry arrived at the airport in July.
- The Port of San Diego, one of America's leading containership ports, brings in more than 3 million metric tons of cargo a year.
- My congratulations to Mr. Flores and all of the San Diego Field Office employees who contribute to these accomplishments, day after day.

PETE FLORES' RECENT BACKGROUND

- Mr. Flores previously served as Assistant Director, Border Security, in the San Diego Field Office.
- In that position he oversaw all anti-terrorism, narcotics interdiction, alien apprehension, and prosecution efforts.
- He also managed San Diego's integrity program.
- Before serving as Assistant Director, Border Security, Mr. Flores was the Acting Port Director, San Ysidro, from March 2011 through August 2011.
- He was also previously Acting Director of the San Diego Field Office from July 2010 through March 2011. Then, as of now, he

was responsible for the 6 ports of entry along the California-Mexico border and served as the primary day-to-day liaison to Federal, state and local law enforcement.

- As the Assistant Director, Trade, San Diego Field Office, from August 2006 through October 2011, he oversaw all of CBP trade, cargo operations, and fines, penalties and forfeiture efforts in southern California.

CBP/OFO

- It is impressive to see such accomplished leaders within CBP Field Operations
 - At the same time I want to acknowledge all of the CBP employees within the San Diego Field Office. You keep the nation's busiest border crossing open and running every day.
 - And I am certain that many of you will be the CBP leaders of tomorrow.
- CBP's mission of protecting our homeland is one of paramount importance.
- CBP's focus is to protect the United States from terrorism and the tools of terrorism. No mission is more important today.
- The mission goes on 24 hours a day, every day of every year.
- As CBP officers, you understand the importance of that mission and the need for remaining vigilant. And I thank you for what you do every day.
- This is a huge responsibility.

- Remember the trust and faith that America has in our officers.
 - Your commitment requires integrity, strength, and vigilance.
 - You provide protection for everyone who lives within our borders.
- Many factors go into the overall success of a port.
 - Working as a team;
 - Staying positive; and
 - Remaining dedicated to the job at hand and the overall mission;
- Good leadership and leadership at every level from top to bottom – is part of any successful operation.
- Being a leader can, at times be frustrating, rewarding, challenging, fulfilling, and time-consuming
- Celebrating our successes and managing crisis situations are both part of a leader's responsibilities.
- Good leadership delivers tangible successes of more interdictions, improved statistics, and higher apprehension numbers.
- A good leader also breeds optimism, high employee morale, motivation, and overall productivity.

- A good leader is imperative to the success of our mission. So I am pleased to have Pete Flores in this role at San Diego. Following in the footsteps of Chris Maston, and the late Paul Morris, is the right person for the job.

BACK TO PETE FLORES

- Mr. Flores has brought an impressive set of experiences and skills to this job.
- And the San Diego area is a place he knows well.
- A native of California, Mr. Flores received his undergraduate degree in Criminal Justice Administration from San Diego University.
- He was hired by the U.S. Customs Service in 1988 and began his career in Calexico as an inspector.
- Mr. Flores is also no stranger to Headquarters.
- From June 2003 until August 2006, Mr. Flores was assigned as Chief of the Manifest and Conveyance Branch in Washington. His responsibilities in this position included oversight of trade programs in the air, rail, vessel and truck modes of transportation.
- He was selected as a Program Manager for Trade Enforcement and Facilitation in 2002 and spent an additional 6 years at Headquarters.
- He also worked at the Pre-Clearance Station in Freeport, Bahamas, where he was instrumental in initiating a Passenger Analysis Unit for air and sea passengers departing to the United States.
- I commend Pete Flores for the dedication he has given to CBP.

- And we are grateful for his professionalism and leadership in service to our country.
- I am pleased that he accepted this position.
- I am confident that his experience will continue to serve him well.
- I know he will continue to thrive as an asset to our agency.

CONCLUSION

- Thank you for giving me the opportunity to speak today.
- I am glad to share in this celebration of leadership and public service.
- I wish Pete Flores continued success in his new position.
- And I wish all of our employees the very best in your careers with CBP.

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Committee on Homeland Security Subcommittee on Border and Maritime Security

“What does a secure border look like?” February 26, 2013

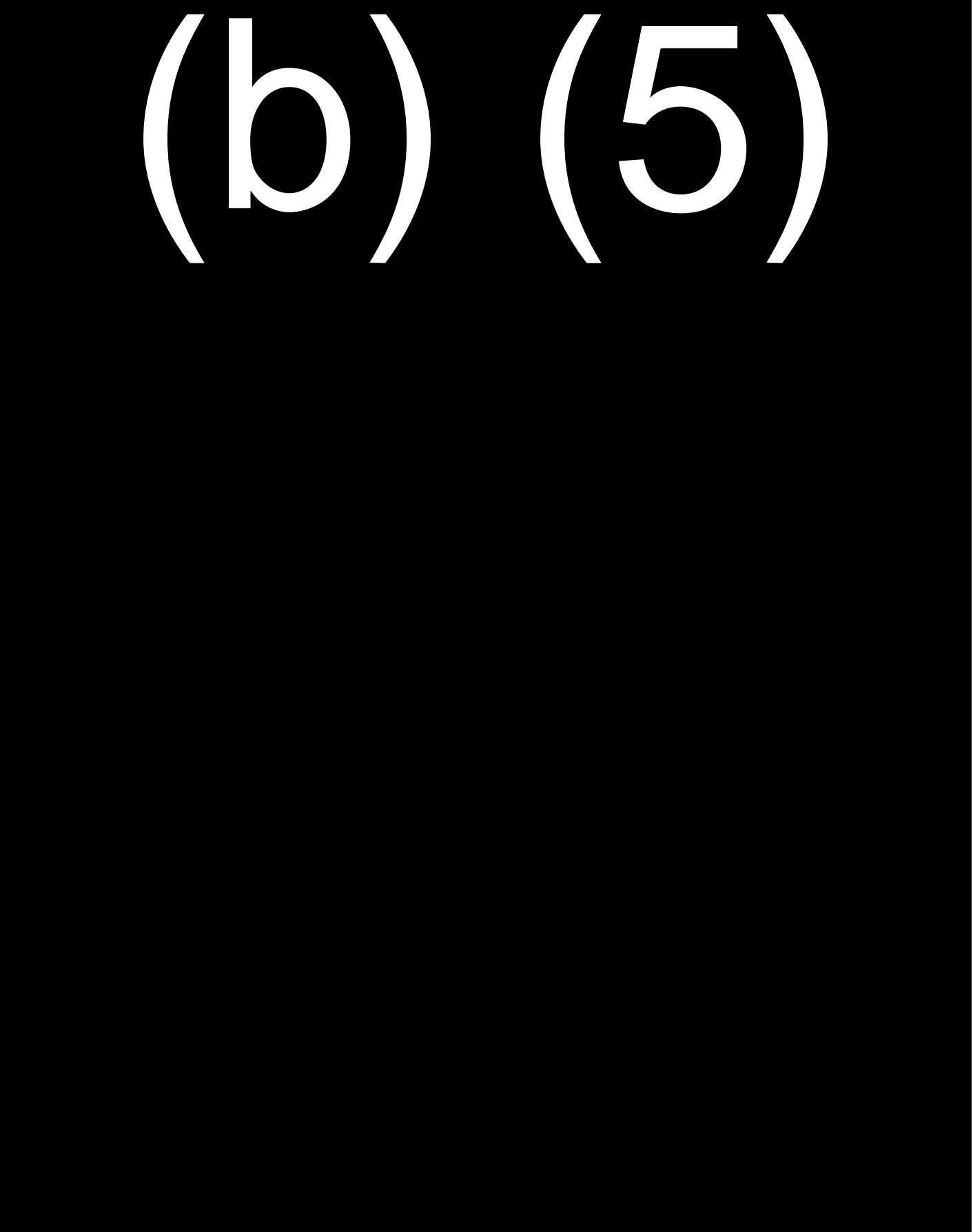
Kevin McAleenan, Acting Assistant Commissioner, Office of Field Operations

Oral Statement

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Committee on Homeland Security Subcommittee on Border and Maritime Security

“Measuring Outcomes to Understand the State of Border Security” March 20, 2013

Kevin McAleenan, Acting Assistant Commissioner, Office of Field Operations

Oral Statement

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U.S. Senate

Homeland Security and Governmental Affairs Committee

“Border Security: Frontline Perspectives on Progress and Remaining Challenges

April 10, 2013

Kevin McAleenan, Assistant Commissioner, Office of Field Operations / Acting Deputy Comm.

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Oral Statement
Acting Deputy Commissioner Kevin K. McAleenan
U.S. Customs and Border Protection
House Appropriations Subcommittee on Homeland Security
“CBP Fiscal Year 2014 President’s Budget Request”
Washington, D.C.
April 17, 2013

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Good morning

Chairman Carper, Ranking Member Coburn, and distinguished members of the Committee, thank you for the opportunity to appear before you today on behalf of the men and women of U.S. Customs and Border Protection. I appreciate the Committee's leadership and commitment to ensuring the security of the American people and look forward to discussing the progress we have made in strengthening the border, and how comprehensive immigration reform will build on our successes and improve the security and safety of the United States.

Thanks to your support, CBP has made historic investments in border security: adding more personnel, technology and infrastructure; making our ports of entry more efficient to lawful travel and trade; deepening partnerships with Federal, state, tribal and international law enforcement; improving intelligence and information sharing to identify threats sooner; and strengthening entry procedures to protect against the use of fraudulent documents and the entry of those who may wish to do us harm. We have deployed proven, effective technology to the border tailored to the operational needs of our agents on the ground and strengthened our air and marine interdiction capabilities. Today, after 10 years of investments in training and equipment and improved information sharing, our border is more efficiently managed and stronger than ever before.

Investments and Capabilities

Between our ports of entry, we have doubled the number of Border Patrol agents, from approximately 10,000 in 2004 to more than 21,000 today. New border roads have improved access to the immediate border. Surveillance systems—both static and mobile—have improved intelligence collection and provided critical situational awareness in support of our agents and officers on the ground. Primary fence and vehicle barricades at strategic locations have limited the options available to smuggling organizations to operate; and aerial platforms with advanced technology have substantially increased the way we deploy on the ground and have led to increased effectiveness in smuggling corridors along the Southwest border.

Congress's substantial investment in personnel, technology, and infrastructure along the Southwest border during the past several years has reduced illegal cross border activity. This enables us to better respond to threats and manage risk. Over the past two years, advanced analytics and data assessments produced programs such as the Consequence Delivery System (CDS). CDS has allowed us to reduce the percentage of apprehensions that result in a voluntary return from 41 percent in 2011 to 22 percent in 2012. Moreover, CDS has contributed to the reduction in the overall rate of recidivism; from a six-year average of 24 percent to 12 percent today.

We see increasing success in our seizures as well. In FY 2012, CBP aircraft and crews were involved in the interdiction of over 115,000 pounds of cocaine. The CBP P-3 aircraft and crew provide an added layer of security by stopping criminal activity before reaching our borders. In total, during Fiscal Year 2012, CBP officers and agents seized more than 4.2 million pounds of narcotics and more than \$100 million in unreported currency through targeted enforcement operations.

At our ports of entry we have increased the number CBP officers facilitating the secure flow of people and goods into our nation from approximately 17,200 customs and immigration inspectors in 2003 to more than 21,000 officers and 2,300 agriculture specialists today. Trusted Traveler and Trader programs and partnerships, such as Global Entry and C-TPAT, increase both security and efficiency while technology, such as Radio Frequency Identification (RFID) technology-enabled secure travel documents and non-intrusive inspection (NII) equipment, increase CBP's screening capabilities and enhances efforts to keep inadmissible persons and dangerous goods out of the United States.

In FY 2012, CBP officers arrested 7,700 people wanted for serious crimes, including murder, rape, assault and robbery. Our officers also stopped nearly 145,000 inadmissible aliens from entering the U.S. through ports of entry. The efforts of the CBP National Targeting Center and Immigration Advisory Program prevented 4,199 high risk travelers, who would have been found inadmissible, from boarding flights destined for the U.S., an increase of 32 percent compared to FY 2011.

To build on these successes, the President's Fiscal Year 2014 Budget includes a request for 3,477 new CBPOs. Of this amount, 1,600 are requested through appropriated funding of \$210 million. Our request also supports legislative changes to user fee collections that would fund approximately 1,877 additional officers. The increase in CBPOs will enhance CBP's ability to facilitate processing of legitimate travelers and cargo, reduce wait times, and increase seizures of illegal items such as guns, drugs, currency, and counterfeit goods.

These new officers will also help the economy and promote the creation of new jobs. A recent study released by the National Center for Risk and Economic Analysis of Terrorism Events (CREATE) at the University of Southern California found that an increase or decrease in staffing at ports has an impact on wait times and, therefore, on the U.S. economy. The impacts begin with changes in tourist and business travel expenditures and with changes in freight costs. These changes, in turn, translate into ripple, or multiplier, effects in port regions and the overall U.S. economy. According to the study results, the 3,477 new CBPOs supported in the Budget could generate an estimated 115,000 new jobs each year and increase the Gross Domestic Product by approximately \$7 Billion.

Our efforts have already significantly reduced illegal immigration and increased our seizures of drugs and contraband and have contributed to a border that is far stronger today than at any point in our nation's history, and border communities that are safe and prosperous.

Building on Capabilities

The "Border Security, Economic Opportunity, and Immigration Modernization" bill builds both on the gains that we've made in securing our border and enacted will strengthen border security. The bill authorizes significant additional resources for personnel, infrastructure, and technology and would further enable us to manage a surge of high activity between the ports of entry. The bill also supports additional CBP officers at our ports of entry, enhancing our security while facilitating the flow of legitimate trade and travel.

Conclusion

Thank you once again for inviting us to appear today. Chief Fisher and I welcome the opportunity to discuss the significant progress ~~CBP~~ has made in strengthening our Nation's borders and answering any questions you may have.

Opening Remarks
Kevin K. McAleenan
BORDERS FIVE RESEARCH AND DEVELOPMENT MEETING
(B5 R&D Annual Meeting)
May 22, 2013

Welcome

- * Good morning, everyone, and welcome to the B&D Annual Meeting
- * Very pleased to be here among the best and brightest in the field of border security research and development

Context

- * The “B5” nations— U.S., UK, Canada, Australia, and New Zealand—have long, rich histories of engaging in robust exchanges in both trade and travel, reflecting deep economic, cultural, and diplomatic ties among each other.
- * But the movement of people and goods to and from our nations must be secure in order to preserve and strengthen those ties.
- * U.S. Customs and Border Protection (CBP) knows the critical role that customs administrations play in facilitating international trade and travel.
- * We recognize that the sum of the parts is greater than the whole, that, together, our research and development efforts are more effective than they would be without cooperation and collaboration.

CBP’s Strategy/Vision

- * Scientists at the CBP Laboratories and Scientific Services strive to coordinate technical and scientific support to all of CBP border security and trade activities and programs.
- * In fact, there have been laboratories in CBP and its legacy U.S. Customs Service for more than 130 years, and its mission has never been more important.
- * Our information technology experts are also helping CBP embrace new technologies that are transforming the way we do business, making it easier for lawful travelers and legally-permissible trade to cross our borders while empowering our officers and agents with new ways to ensure border security.

- * Of primary importance in this fiscal environment is not only the development of effective technology but also technology that has minimal impact on Operation and Maintenance costs.
- * On the cargo side through direct engagement with the private sector we have reduced regulatory barriers to commercial activity and modernized how the agency conducts business with the import and export community and have simplified commercial processes.
- * In addition, CBP's Centers of Excellence and Expertise (Centers) our signature trade transformation initiative- redirect work involving our trusted traders to centralized, industry-specific locations resourced by a multi-discipline team of CBP experts. This facilitates legitimate trade, while focusing resources on high-risk shipments.
- * CBP also has helped pioneer technologies such as non-intrusive inspection and devices that detect radiological and nuclear materials.
- * On the travel side CBP welcomes nearly a million people every day at our air, land, and sea ports of entry, and we are incorporating state-of-the-art technologies to optimize our staff resources- a vital necessity during these fiscally challenging times
- * These steps include radio-frequency identification (RFID), new automated scheduling software for more effective workload management, self-serve kiosks to make the travel experience more efficient for airline passengers and pedestrians, license-plate readers, mobile devices, and paperless processing transactions.
- * Finally, CBP has enhanced our targeting capabilities to screen, review, identify and segment low- and high-risk travelers and cargo both inbound and outbound in order to coordinate the examination of the small percentage of people and shipments that may be connected to terrorism and other transnational crimes such as narcotics and weapons smuggling, human trafficking, counterfeiting, and money-laundering.
- * As part of the Border Five Countries an International Targeting Team has been established at the CBP National Targeting Center Passenger (NTC-P) facility in Northern Virginia. As part of the international cooperative effort CBP has assigned Liaison Officers to the respective Canadian and UK targeting centers.
- * Members of the targeting team share critical passenger information through their long standing information sharing relationship which includes joint targeting, traveler and lookout information sharing. Although a liaison officer from New Zealand is not represented at the NTC-P a virtual information sharing process has been established for passenger information.
- * Working with our government, foreign government allies and private industry partners we have been able to develop a layered approach to border security that begins at foreign Ports of Lading.

Importance of Collaboration/Cooperation

- * Cooperation and collaboration among the B-5 countries are absolutely key to our respective Nations' physical and economic security and our efforts to protect our travel, our trade, and our homelands.
- * Working together- sharing best practices and new ideas also complements the important work being done at the World Customs Organization, World Trade Organization and other Treaty Organizations
- * This is especially important given how costly research and development can be, and how much pressure is being brought to bear on R&D budgets around the world.
- * Today, we come together to determine which of those practices can enhance trade facilitation and economic competitiveness without sacrificing our enforcement and security efforts.
- * With the same spirit of cooperation and focus on our mutual interests, we re-emphasize CBP's commitment to working with you together to develop technical solutions to improve border security, facilitate the flow of trade and to assist in the interdiction of the movement of weapons of mass destruction.

Thank you.

Oral Statement of Kevin McAleenan
Acting Deputy Commissioner, U.S. Customs and Border Protection
House Committee on Foreign Affairs
Subcommittee on Terrorism, Nonproliferation, and Trade
“The Abu Dhabi Pre-Clearance Facility: Implications for U.S. Businesses and National Security
July 10, 2013

Good morning.

Chairman Poe, Ranking Member Sherman and distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the role of preclearance operations in U.S. Customs and Border Protection (CBP) multi-layered strategy to secure America's borders and facilitate legitimate trade and travel.

A critical objective of CBP's multi-layered strategy is to extend our zone of security and collaboration with international partners to interdict threats as far from the homeland as possible. CBP preclearance operations function in the same way as a U.S. port of entry, only on foreign soil. Under the agreement with the United Arab Emirates (UAE) - CBP officers will operate with the full array of legal authorities and will be empowered to conduct full inspections and searches of individuals and baggage prior to boarding aircraft bound for the United States.

Preclearance operations in Abu Dhabi will provide clear benefits to U.S. security in a highly cost effective manner. The reciprocal benefits fall into three categories: first* preventing high-risk travelers from boarding aircraft from Abu Dhabi to the United States; second* enhancing law enforcement partnership and information sharing with a key U.S. partner in the region; and third * improving facilitation of international travel by reducing wait times at U.S. gateways.

The United Arab Emirates, and Abu Dhabi in particular, is a transit hub for global travel and commerce in the Middle East. Preclearance operations in the UAE offer significant opportunities to identify and interdict threats to United States in the Middle East region. For instance --

- * Abu Dhabi is one of the top 10 transit locations for Terrorist Screening Database (TSDB) matches.
- * UAE receives direct flights from Yemen, North and East Africa, including Morocco, Nigeria, Kenya, Ethiopia, and Sudan, Saudi Arabia, Pakistan, Iraq, Iran, Lebanon, Bangladesh, and India, all high-risk pathways for terrorist travel.
- * 70 percent of the U.S.-bound commercial passenger traffic from Abu Dhabi International Airport is in-transit from other countries.
- * Less than 5 percent of refused travelers arriving on flights from Abu Dhabi in the last two years were Emirati; most transited from India, Saudi Arabia, Pakistan, and Bangladesh.

Given these known terrorist travel threats, Abu Dhabi preclearance provides clear U.S. security benefits by allowing DHS to project a core security program closer to source countries for extremist activity. CBP officers working in a preclearance context will not only be able to interview, capture biometrics, and electronic media of known or suspected terrorists, they will also be able to address non-watch listed travelers that present risk. CBP officers at the proposed Abu Dhabi preclearance location would have broader authorities than at any other preclearance location to inspect and examine travelers and goods, would be in uniform, and

would have access to their full complement of law enforcement tools including firearms personal protective equipment, as well as screening and biometric capture technology.

Preclearance also protects U.S. agricultural infrastructure from the spread of foreign pests, disease, and global outbreaks. For example, in the last two years CBP has seen a 400 percent increase in interceptions of ~~Khapra~~ Beetles, one of the most devastating pests from that region, mostly in luggage of passengers originating from the Middle East.

Cost Savings

The willingness of the UAE to share the financial burden of preclearance operations with DHS makes this planned preclearance operation extremely cost effective. CBP estimates costs of opening and maintaining a preclearance location in Abu Dhabi to be approximately \$5 million annually, which includes the relocation of CBP officers to Abu Dhabi, the salaries and benefits of those CBP officers, and all operating costs. CBP is able to receive reimbursement for services related to immigration and agriculture activities; customs related services are not reimbursable. In total, CBP anticipates receiving reimbursement for approximately 85 percent of the total cost. In other words, CBP has an opportunity to inspect the full volume of passengers before they arrive at busy U.S. airports for 15 cents on the dollar.

Preclearance operations in Abu Dhabi will also aid passenger processing at key international gateway airports in the United States. Currently, there are three daily flights from Abu Dhabi to U.S. airports. These flights arrive at congested terminals at JFK, Chicago O'Hare, and Dulles International Airport at peak periods. Given the high percentage of non-U.S. citizens

flights, who take longer to process, passenger traffic from Abu Dhabi contributes to significant wait times that inconvenience all international travelers, including those arriving on U.S. carriers. Preclearance of up to 400,000 passengers annually at Abu Dhabi would relieve congestion and contribute to reduced peak-period wait times for travelers on all carriers at these key U.S. airports.

Etihad flight 151 is a good example. This flight is a Boeing 777 arriving daily into O'Hare with an average of 380 passengers at 3:35 p.m., directly in the middle of O'Hare's peak traffic period. Preclearance of this flight would remove almost 20 percent of the arriving travelers from processing queues and provide a significant, positive impact on wait times. This would not only provide economic benefits to the carriers and travelers arriving during this period, it would also free CBP officer resources at O'Hare to focus their efforts on potential security risks arriving from other origination points. Similar benefits would be achieved at JFBI Dallas as well.

Despite concerns raised, preclearance operations at Abu Dhabi would in no way compromise officer integrity. Reimbursement under this agreement would go into user fee accounts similar to those already collected by CBP from air carriers globally and user fee airports in the United States. CBP officer salaries are paid from a variety of sources, primarily appropriations and user fees collected from industry, and would not be dependent on Abu Dhabi. Additionally, any CBP officer deployed abroad would have positions to return to at home and would not be subject to undue influence from this arrangement. The U.S. government has effectively managed reimbursable agreements for U.S. bilateral security benefits in the past as demonstrated by Department of Defense status of forces agreements and U.S. Department of State programs.

Conclusion

Preclearance operations in Abu Dhabi offer CBP and DHS an unprecedented opportunity to project America's zone of security into the Middle East at virtually no cost. Taking into account the workload that will be removed from CBP operations at busy gateway airports, the arrangement amounts to a net resource gain for CBP. Essentially, the Abu Dhabi preclearance location provides 20 CBP officers for the cost of five in terms of security and the facilitation of lawful travel to the United States, this is a very good deal for the American public.

Chairman Poe, Ranking Member Sherman and Members of the Subcommittee, thank you for this opportunity to testify. I look forward to answering your questions.



U.S. CUSTOMS AND BORDER PROTECTION

AEA/A4A Joint Facilitation/Security Meeting

Acting Deputy Commissioner Kevin



Introduction

- * Good afternoon, everyone, and thank you, (b) (6) for that warm introduction.
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- * I am delighted to be here in Brussels to discuss issues of concern shared by U.S. Customs and Border Protection, Airlines for America (A4A), and the Aircraft Electronics Association.
- * A4A's watch words are "We Connect the World, " and CBP is pleased to be a part of that effort that is so critical to our Nation's economic growth and prosperity.
- * I am also pleased to meet with representatives of the Aircraft Electronics Association, whose members have shown a deep and abiding commitment to airline maintenance, safety, repair, and installation of avionics and electronics systems since 1957.

Challenges

CBP faces a n increasingly complex mission , characterized by :

- national security threats , in the form of increasingly sophisticated travel patterns and relationships among terrorists and criminals, and
- increasing volumes of travel and trade .

❖ *National Security Threats*

- * Violent extremists and foreign fighters exploit the freedom of movement between conflict zones and across porous borders, thereby facilitating broken travel and foreign to foreign travel.
- * We need to advance a comprehensive Terrorist Travel strategy .
- * The strategy needs to focus on creating international partnerships to collect and analyze travel data to identify broken travel .
- * The strategy also should create bi-lateral law enforcement partnerships to proactively identify subjects who may be of national security concern.

❖ ***Growing Volumes of Trade/Travel***

- * **Commercial aviation is a huge economic driver**, generating :
 - more than \$1 trillion per year in economic activity ; and
 - 10 million American jobs.

- * **But it's not just the movement of people**; the airline industry is also integral to our Nation's trade balance.

- * **In 2012, the value of U.S. merchandise exported by air reached an all-time high of \$427 billion.**

- * **CBP's role – ensuring the secure and efficient movement of people and products through our ports of entry – has never been more important – or challenging – as we face:**
 - continuing threats to our national security,
 - a climate of fiscal austerity and
 - growing volumes of travel and trade.

- * **CBP officers welcome nearly a million travelers every day at our land, sea, and air ports of entry – about 350 million travelers every year.**

- * In Fiscal Year 2012, CBP officers processed more than 98.3 million commercial and private aircraft passengers and crew, arriving on more than 675,000 commercial flights and 116,000 private aircraft.
- * We are acutely aware that an “efficient CBP ” is vital to your business and your bottom lines.
- * Improving the traveler experience while maintaining our commitment to secure borders and ports of entry is an enormous challenge.
- * At our Nation ’s top 10 airports, total air passenger volume is up more than 12 percent, compared to FY 2009 – and air travel is expected to grow between 4 and 5 percent annually for the next several years.
- * FY 2013 year-to-date data confirms this expectation so far.
- * That’s good news for your members.
- * In the face of those increasing volumes, CBP is reevaluating the way we do business.
- * We have to – because our staffing at ports of entry has remained flat since 2009.

- * While mission complexity increases and external demands accelerate, we are constantly refining and enhancing our operations to combat evolving threats – while enforcing more than 400 laws and regulations for more than 40 government agencies.
- * Like your member companies, and like just about every other enterprise and organization, CBP is striving to :
 - do more with less,
 - streamline operations ,
 - optimize resources, and
 - “work smarter ”
- * How? Through CBP ’s business transformation initiatives – which include new technologies such as automated passport control kiosks —and through our workload staffing model .

Business Transformation Initiatives

- * We are automating our paper processes, such as our I-94 W, I-94, and General Declaration documents.

- * This automation was piloted successfully in Houston and rolled out to all airports last month, and it's a "win-win-win" – that is, it benefits everyone: airlines, travelers, and CBP.
- * It saves time for both you and travelers , and it frees up our officers to focus less on administrative paperwork and more on enforcement and on those travelers whose admissibility status may be more complex and require more time.
- * We are using more mobile technologies to provide officers with real-time passenger information even before the traveler arrives at the primary inspection area .
- * CBP also is expanding its Trusted Traveler and Trusted Trader programs.
- * Enrollment in Global Entry , which provides expedited clearance for pre-approved, low-risk travelers upon their arrival in the U.S., now stands at 1.8 million trusted travelers.
- * This year, GE kiosks have been used more than 2.5 million times, producing an inspection time -savings equivalent to 44 CBPOs.
- * That's a cost avoidance value of approximately \$5.2 million in salaries and benefits .

- * **We continue to add more enrollment centers to facilitate the growth of the program. In just three months, for example, our Global Entry enrollment center at CBP headquarters in Washington D.C. processed 10,000 applicants .**
- * **But that 's not all: thanks to investments by forward-thinking airports, automated passport control kiosks – or APC kiosks – have been hailed as significant time- and labor-saving devices.**
- * **The APC kiosks truly make the best use of current resources through innovation and technology.**
- * **APC kiosks get travelers through inspection more quickly , and they reduce the burden on officers who now have more time to focus on travelers with more complex admissibility issues.**
- * **The initial APC deployment, at the Vancouver International Airport preclearance facility , has reduced inspection time for United States Citizens there by approximately 40%.**
- * **Chicago O 'Hare International Airport opened 32 APC kiosks for U.S. citizens in June 2013 – reducing wait times by approximately one-third .**
- * **APC kiosks have been deployed at the Montreal-Trudeau preclearance facility.**

- * **APC kiosks will be deployed at the nation's busiest airport, JFK next month. At JFK, airport wait times have consistently been above the national average with steadily increasing delays since FY 2009.**
- * **In the coming months, APC kiosks will be deployed at Dallas-Ft. Worth, Houston, Miami and Toronto preclearance.**
- * **And that's good news for your member companies, as travelers will be encouraged to book more flights, knowing that the travel experience is improving every day.**
- * **We are also rolling out new scheduling software.**
- * **At JFK, our real-time scheduling tool enables airports to optimize their own scheduling of available staff to process expected arrivals within acceptable wait-time thresholds.**
- * **We've established "Express Connection" lanes for travelers with tight connections.**
- * **And we've launched a "One Stop" program that processes passengers who have only carry-on luggage faster through a special line.**
- * **Finally, CBP has modified officers' work schedules to maximize coverage during peak arrival hours.**

Workload Staffing Model

- * CBP also has implemented a new decision-support tool for calculating our workload needs at our ports of entry.
- * This Congressionally -mandated, externally -validated Workload Staffing Model helps identify our operational needs, based on quantifiable data.
- * The workload staffing model includes all tasks performed by CBP officers, including primary and secondary inspections as well as enforcement activities.
- * It precisely accounts for the time it takes for an officer to complete each core activity in each environment – air, land, and sea.
- * Finally, the model accounts for variables such as holidays, training, sick leave, and administrative duties.
- * The Workload Staffing Model showed us that our current staffing cannot keep pace with growing volumes of travel and trade.

- * **As a result, we concluded that we need at 3,8 11 more officer s, spread across our 329 ports of entry and 15 preclearance locations by the end of FY 2014 .**

- * **According to a recent study, f or each additional CBP officer dedicated to processing inbound travelers, the U.S. economy reaps huge benefits**
 - **A \$2 million increase in GDP;**

 - **\$640K reduction in opportunity costs; and**

 - **The creation of 33 jobs .**

- * **Our Nation 's security is also at stake.**

- * **Additional officers mean:**
 - **More effective targeting of potentially dangerous travelers and cargo;**

 - **The ability to assign more resources to foreign locations (e.g., Immigration Advisory Program officers) to focus on high-risk persons, pushing our “zone of security ” outward, beyond our borders;**

- Increased seizures of narcotics, weapons, illicit currency, and counterfeit products;
- The assessment of more trade penalties and liquidated damages ; and
- More arrests and interceptions of inadmissible passengers at our ports of entry .
- * CBP officers are a good investment from both the national security and economic perspectives.
- * The request in the President 's budget for additional CBP officers at the ports recognizes the importance to the economy of operating the ports of entry effectively.
- * We are also seeking relief through alternative sources of funding , such as user fees and entering into public/private partnerships .
- * That brings me to the subject of wait times.

Wait Times

- * Thanks to CBP's efforts, the wait times for arriving passengers at the major gateway international airports were shorter during the summer 2013 peak travel period than originally predicted.

- * **CBP, in fact, had expected that external forces such as budget sequestration and rising passenger volumes would increase the length of wait times .**
- * **Our own analysis shows that this was not the case – most likely thanks to a combination of :**
 - **Our business transformation initiatives,**
 - **Operational improvements ;**
 - **Redeployment of staff from non-passenger areas ;**
 - **Reductions in leave ;**
 - **Streamlined training ; and**
 - **Overtime .**
- * **These mitigation efforts are not sustainable in the long term if CBP is to uphold its facilitation and enforcement missions with a healthy and highly trained workforce.**
- * **Our frontline officers are working harder than ever to meet the many demands of a complex and diverse mission .**
- * **That mission includes making the traveler experience as efficient, smooth, and secure as it possibly can be.**

Conclusion

- * As we look ahead, you can expect CBP to continue to explore and implement new and innovative business transformation initiatives .
- * We will continue pursuing regular , robust communications with our key stakeholders ...
- * ... and A4A and AEA are certainly at the top of that list.
- * You and your members can count on us to continually and relentlessly examine how we do business , and to take whatever steps are necessary to improve.

Thank you.

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Oral Statement of Kevin K. McAleenan
Acting Deputy Commissioner, U.S. Customs and Border Protection
House Committee on Homeland Security
Subcommittee on Border and Maritime Security
“Authorizing Customs and Border Protection and Immigration and Customs Enforcement
April 8, 2014

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Office of Field Operations (OFO)
National Treasury Employees Union (NTEU) Conference
Acting Deputy Commissioner, Kevin K. McAleenan
Opening Remarks
April 22, 2014

INTRODUCTION

- * I am happy to be here with you today.
- * I would like to use this opportunity to discuss:
 - 1) Where we are now as an agency ~~these are~~ exciting times
 - FY2014 Budget includes funding for 2,000 additional CBPOs
 - New Reimbursable Services and Donation Acceptance authorities
 - Automation and new technologies
 - 2) An expanding and ~~evolving~~ changing mission
 - modernizing our processes ~~and~~ evolving into a more efficient and effective agency
 - 3) Some of the challenges and opportunities we will face in the future
 - 4) Importance of developing ~~and~~ moving forward with a shared vision
 - critical that we work together closely at local and national level
 - o look at what's working at the local levels and use as a national best practice
 - o collaborate on ways to move the agency ~~forward~~ and keep employees engaged
 - build off of our recent success

VISION FOR CBP

- * I want to start with my vision ~~for~~ CBP:
 - 1) Mission: We have the most compelling mission in law enforcement. Securing our nation's borders, identifying and preventing the entry of people or goods who pose threats to the United States.
 - 2) Authorities: No other entity has broader authorities ~~we~~ we enforce the laws of 47 other agencies as well our own.

- 3) Capabilities: From legacy agencies to all things we've built in the past 1 years, including targeting, state-of-the-art technology, and interagency relationships.
 - 4) People: We have a great team with strong caliber of new CBP employees. We take the best and brightest and make a huge investment upfront, but we need to do a lot more on mid-level leadership development, training, and succession planning. We need the leadership development continuum filled-in and must provide our people real help in planning, developing, and anticipating every stage of their career path.
 - 5) Culture: We need to build on good teamwork and make our employees feel and believe that they have the help and support of management.
- * We must move with purpose and clear intent, working together to fuse our past and present and evolve to create a strong future as the PREMIER LAW ENFORCEMENT AGENCY in the United States. We must:
- 1) Be innovative and dynamic, adapting and adopting; to do this, we need to be relentlessly self-critical.
 - 2) Become the employer of choice in law enforcement and a recognized cultural leader.
 - 3) Be transparent, collaborative, and responsive, with the very highest standards of integrity.

RELATIONSHIP BETWEEN CBP MANAGEMENT AND NTEU

- * We have made great progress in the last few years. As an organization we must focus on meaningful two-way communications with the NTEU members.
- 1) Earlier this month, our new CBP Commissioner, Gil Kerlikowske, and Colleen Kelly testified before the House Appropriations Subcommittee on Homeland Security.
 - Our two leaders delivered essentially the same message
 - “Strengthen the resources at our Nation's ports of entry.”
 - 2) CBP is modernizing and evolving into a more efficient and effective agency.
 - Critical that NTEU and CBP work together at the local and national levels.
 - Develop a shared vision for the future.

Communications

- 1) Recognize the existence of established forums by which we connect on important items. And the reality that some forums—like the Labor-Management Relations

Committees are works in progress. We need to continue to work together to make dialogue as productive as possible. (2-way street)

- 2) Also recognize that there are different perceptions with regards to those communications I want to ensure that this audience understands our commitment to open, constructive, and collaborative dialogue (i.e., not getting sidetracked at the national level due to local challenges)
- 3) Firm belief that if the spirit of commitment and collaboration is there, we will achieve success together.

Professionalism and Integrity

- 1) CBP and NTEU both support a workforce that upholds professionalism and integrity.
- 2) These ties bind us to the greater good
- 3) Example: OFCs “Professionalism in Action: Leading by Example” campaign is now being rolled out to Field Offices.
- 4) CBP managers must model the same positive behavior we expect of our workforce.

Collaborative Areas of Engagement

- 1) At the Headquarters level, the National Labor Management Forum is working.
 - We recently held a meeting in Washington, D.C.
 - The Forum is scheduled to meet quarterly
- 2) I encourage those who meet with your CBP Field Office managers on local Labor Management Relations Committees.
 - Local committees are channels to communicate in an informal setting.
 - i. Non-adversarial environment.
 - ii. Help find creative solutions for local issues.
- 3) Our FY13 successes:
 - Intercepted approximately 204,000 inadmissible aliens at our ports of entry, and arrested more than 24,000 criminals.

- Seized approximately 750,000 pounds of drugs, over \$74 million in currency
- Confiscated over \$253 million in goods and \$215 million in intellectual property through trade enforcement.
- Intercepted more than 1.6 million prohibited animal and plant products, and prevented more than 161,000 agricultural products from entering the country.

i. All started with CBP employees effectively doing their job.

ii. Leadership's role is to create an environment that enables employees to achieve our joint mission of keeping America safe.

4) Building on these successes will require CBP to hear and understand the voices of its employees

- You are the frontline.
- Translating what you see and hear into more effective solutions is how we will continue to evolve as an organization.
- Successful two-way communications are essential as we continue to transform
- Our business transformations are aimed at removing the 'noise' that surrounds your primary mission
- Providing more focused tool sets to facilitate the skills you bring to the mission.

MOVING FORWARD– WHAT IS IN OUR FUTURE AND HOW WE CAN MAKE IT BETTER TOGETHER

- * Big things, good things headed our way.
- * Critical that we work together.
- * Can build on these successes and create new ones.
- * President's FY 14 Budget
 - 1) Represents a tremendous recognition of the role we play supporting not only our security and anti-terrorism mission, but our role driving economic growth.

- 2) Includes 2,00 additional CBP officers.
- 3) An investment in the economy, and in CBP as guardians of our Nation's borders— gateways for the travelers and commerce that are vital to our continued economic growth.
- 4) Our ports are the gateway to our Nation, welcoming travelers and facilitating the flow of goods that are essential to our economy and American job
- 5) Border and economic security go hand in hand. And through our transformation initiatives- Western Hemisphere Travel Initiative (WHTI) forms automation, implementing mobile and smartphone technology, expanding the use of kiosks including Automated Passport Control and Global Entry, and collaborating more closely with stakeholders nationwide a number of new partnerships we have been able to effectively demonstrate our critical role in supporting continued economic growth.
- 6) We are currently partnering with NTEU in several key initiatives and would like to continue to build on this collaborative relationship
 - The Deep Dive Session scheduled for May 2014 is another great example, where we will examine our challenges with a focus on actionable solutions for addressing key employee issues, and to build on improving our relationships.
 - The Federal Employee Engagement Advisory Council is a key group where NTEU and CBP can engage in discussions impacting employee engagement at the national level.

* Transformation

- 1) Travel and trade continue to grow across the board. We have seen 12% growth in air arrivals alone since 2009 and expect continued growth in the coming years
- 2) CBP is maximizing resources to help support that growth. We are automating processes, going paperless, employing mobile technology and self-service kiosks, and exploring public-private partnerships to help support current and future mission requirements.
 - Upcoming innovations will streamline administrative processes, allowing CBP officers to better focus on law enforcement and security.

- Establishing a joint workgroup to review Seized Property Specialist position descriptions
- Working closely on mission support integration, implementation of the Centers of Excellence and Expertise, and the Mobile Workforce Initiative
- Transitioning to a new travel system
- Automating the I-418 (crew manifest for seaports)
- Automating the I-94W/I-94 (arrival and departure) at our airports and seaports and are now looking to do the same at land border POEs
- May 1 launch of new I-94 web page for travelers who can get information on their last 5 years of travel. [will cut down on FOIA requests be more traveler-friendly]
- CBP is developing a mobile app for wait times, enabling air travelers to check wait times in real-time at specific airports.
- CBP is also developing mobile apps for air, land, and sea travelers to provide advance arrival information (mobile passport control for air and land and advance notice of arrival for pleasure boaters).
- CBP is expanding the use of mobile handhelds for Agriculture Specialists allowing them to clear cargo on-site, enabling flowers, vegetables, and other perishables to clear sooner decreasing transaction costs and making our job easier.
- CBP has refined the calibration of the Radiation Portal Monitors to significantly reduce the workload associated with common false alarms.

3) Doing this because we need to:

- Allow officers to focus on law enforcement mission, but means change.
- Allow import and entry specialists, paralegals, seized property to focus on the trade mission.
- Allow support personnel to provide the best, most efficient customer service to support the frontline.

4) Where we want to work with NTEU:

- a. Discuss anticipated changes
- b. Encouraging a culture of creativity and innovation
- c. Present new ideas and creative solutions

* Employee Engagement

1) While we have come through challenging budget times and will continue to work aggressively to demonstrate our focus on innovation and being a good investment- we still have work to do becoming the employer of choice for all the progress we have made, we have much more work to do.

2) The key areas we need to improve - and that are my personal priorities - include:

- a. Leadership and Management
- b. Performance Management dealing with poor performance, promotions of merit and fairness
- c. Improved leadership training
- d. Clear career paths for every employee job series.

* Workforce Transformation Initiatives (WTIs)

- 1) On March 28, OFO launched the first two interactive tools in Workforce Transformation Initiatives.
- 2) The Career Roadmap is designed to provide a career path for occupations from entry level to Senior Executive Service (SES).
 - Implemented in phases starting with the CBP officer position
 - Will be followed by CBP Agriculture Specialists, Mission Support and Trade and Targeting and Analysis personnel.

* The Career Experience Inventory (CEI) Dashboard is aligned with the Career Roadmap

- 1) For CBP officers who participated in the CBP Officer Competency-Based Assessments for promotion.
- 2) Summary of key competencies and specific experiences and how they compare with the pool of employees against whom they are likely to compete for promotions.
- 3) The Career Roadmap and Career Experience Inventory can both be accessed from OFO's Mission Support SharePoint page on CBPnet.
- 4) These tools are an important step in the right direction, and we appreciate your support in pursuing other avenues to support all of our employees throughout their careers.

* In addition, I would like to point out local successes that we can build on in the coming year:

- 1) In January, management from the Port of Savannah and NTEU representatives participated in a two day Relationship by Objectives session led by the Federal Mediation and Conciliation Services. The outcome of that session resulted in a co-signed Command Presence memo that re-emphasized professional demeanor and grooming standards.

distributed port-wide.

- 2) Efforts continue at the Seattle Field Office where a port management and NTEU chapter officials consistently work issues at the local level. Initiating a Physical Fitness Pilot field office-wide, implementing formal mentoring programs, and supporting the use of temporary appointments to identify qualified and interested supervisors and ongoing initiatives.
- 3) In January, JFK implemented a mid-BR&P cycle Passenger Hybrid work unit as a result of the BR&P arbitration decision. Success was attributed to the fact that the local NTEU chapter was afforded pre-decisional input and local chapter leadership was fully engaged in decision making discussions.

The chapter newsletter in Feb. stated *Hybrid Teams- We are pleased to announce that Hybrid Teams have been working out great. Our Members are very happy and we are glad to have some new blood added to the teams."*

This level of collaboration and teamwork locally is an example that should be replicated at other locations dealing with similar issues.

NATIONAL COLLECTIVE BARGAINING AGREEMENT

- * Before closing, I want to acknowledge that the National Collective Bargaining Agreement expires in a few weeks and will re-open for negotiations.
- * Bargaining is an opportunity for both sides to address and update some important issues that can make the workplace better. Some of the articles have been in place since 2008 and we can jointly identify and improve the areas that cause problems and ambiguous language and interpretation disputes.
- * Let your NTEU leadership know what issues are most important to the workforce.
- * Let's not lose sight that this is also an opportunity to implement changes that will improve employee's work lives.
- * During these negotiations we can expect robust, strongly held positions on both sides. And we can anticipate that, in the spirit of cooperation, we will reach a respectful, mutually-beneficial agreement that balances the interests of employees with operational demands and mission accomplishments.

CLOSING REMARKS

- * We have been and will continue to lean far forward to create the right culture to ensure we attract and retain the best and the brightest talent.

- * By working together in a collaborative spirit, we will be able to identify and implement changes that will result in a more engaged, more fulfilled and more informed workforce.
- * Our people must be able to see these changes; they must feel and believe they have the help and support of management.
- * We are all dedicated to the CBP mission and by working together we can keep America safe and prosperous.

June 4, 2014

Oral Statement of CBP Acting Deputy Commissioner Kevin KMcAleenan

Good Morning, Chairman Carper, Ranking Member Coburn, esteemed members of the Committee, it's a privilege to appear before you today. Thanks to your continued support along with effective collaboration with Federal, international and private sector partners, DHS and U.S. Customs and Border Protection have made significant advancements in maritime cargo security.

Since the terrorist attack of September 11, 2001, CBP has established security partnerships, enhanced targeting and risk-assessment programs, and invested in advanced technology essential elements of CBP's multi-layered approach to protecting the Nation from the entry of potentially dangerous maritime shipments, while expediting legitimate, and economically vital commerce.

I'd like to highlight the progress of a few of these efforts for you today.

In the first few years after 9/11, CBP created several key programs to enhance our ability to assess maritime cargo for risk, examine shipments at the earliest possible point in the supply chain. The Customs Trade Partnership Against Terrorism, C-TPAT, was established in 2001, in the wake of the 9/11 terrorist attacks. C-TPAT provides facilitation benefits to vetted members of the trade community who volunteer to adopt tighter security measures throughout their entire international supply chain. C-TPAT has grown from seven initial members to over 10,000 members today.

The National Targeting Center also started in 2001 has developed world leading capabilities to assess cargo shipments, crew, and travelers for risk before they are laden or board vessels destined for the United States. At the NTC, CBP utilizes the Automated Targeting System intelligence, commercial information, and traveler data to identify and mitigate potential threats.

DHS and CBP have also strengthened detection equipment capabilities at domestic seaports. Since 2001, CBP has acquired 1,387 radiation portal monitors and increased its inventory of large-scale non-intrusive inspection systems from 64 to 1,144. These evaluables systems help CBP officers detect radiological materials, weapons, and illicit substances.

The support of Congress, specifically through the SAFE Port Act, has been a key catalyst in advancing CBP's trade security and facilitation capabilities beyond these signature efforts.

The Act codified and made Importer Security Filing mandatory. Building on the 24-hour rule, this program provides CBP additional advance insight into the supply chain, allowing us to identify potential risks earlier and more accurately.

The Act also codified the Container Security Initiative. Under CSI, CBP works with foreign authorities to identify and examine potentially high-risk U.S.-bound maritime containers before they are laden on vessels. CBP's 58 CSI ports now prescreen over 80 percent of all maritime containerized cargo imported into the United States.

CBP will continue to build on our progress by exploring and expanding new roles for industry stakeholders and international partners, such as trusted trade mutual recognition agreements. We will continue to refine our targeting to better identify high-risk cargo and we will work to increase the percentage of containers scanned. And we will continue to help lead the effort in developing increasingly effective and sophisticated global standards for cargo security.

By utilizing risk-based strategies, and applying a multilayered approach, we can focus our resources on the very small percentage of goods shipments that are potentially high-risk. CBP's use of advance information, technology and partnership improves global supply chain integrity and reduces transaction costs for U.S. businesses.

Thank you for the opportunity to testify today. I am happy to answer your questions.

**Remarks by Kevin K. McAleenan
U.S. Fashion Industry Association (USFIA)
26th Annual Textile & Apparel Importers
Trade and Transportation Conference
Tribeca Rooftop
New York City, N.Y.
November 5, 2014**

Thank you (b) (6) for your warm welcome, and thank you for all you do on behalf of the fashion industry. We appreciate your leadership and your vision on how Customs and Border Protection and the textile and wearing apparel community can continue in partnership to facilitate America's ever-expanding global trade.

I also want to thank USFIA Board of Directors, officers, and members for inviting me here today. We met with many of you before, but this is the first time as the Deputy Commissioner of U.S. Customs and Border Protection. It is a great honor.

When I was preparing to speak today, I noticed your organization has gone through a rebranding. Just when I was getting used to calling your group USAITA, you went and changed your name. I figured you're just trying to keep me on my toes. But seriously, the U.S. Fashion Industry Association is a great name. It's distinctive and, as they say, 'it's got panache'.

But the members of this organization have much more than style—you have substance. The textile, apparel, and footwear industries are an important economic engine for our country. During fiscal year 2013, CBP processed \$2.4

trillion in imports and collected \$31.2 billion in duties. The lion's share of the money collected from the duties ~~ma~~ from imported textiles and apparel. Last year, textiles and apparel generated 41 percent or about \$13 billion in revenue for the United States. Nearly \$21 billion worth of goods claimed preferential duty treatment.

As you know, the reason that preferential treatment for clothing is so important is that the duty rates on clothing are the highest duty rates in the tariff schedule. Typically, the average duty rate collected on imported garments is 17 percent, but manmade fiber garments can be as high as 32 percent. This is significantly higher than non-textile goods such as pharmaceuticals, automobiles, or agriculture and technology products, which average less than 2 percent.

On the flipside, the United States is the third largest exporter of textile products in the world with \$18 bilbn in exports. Furthermore, the American textile industry exports to more than 60 countries including 23 with export markets that purchase in excess of \$100 million.

In short-textiles and apparel have a tremendous impact on the U.S. economy and that is why textiles remain one of CBP's priority trade issues. This is also the reason why it is so important that we partner with you.

CBP's Trade Transformation Strategy

At CBP, we are constantly looking at ways of how we can transform the way we do business. Industry has helped us identify that we need consistency, we need harmonization, and we need a One U.S. Government approach to doing

business. We also recognize that we need to modernize our tools and that we need to partner with industries such as yours as well as other government agencies to do trade enforcement. All of these have guided us to achieve the key principles of our Trade Transformation strategy: Partnership, Predictability, and Prosperity. To illustrate those principles today, I am going to focus on our progress with the Centers of Excellence and Expertise, our Single Window implementation, and how we are working on our trade enforcement strategy. But before I delve into those three areas, I want to talk about another very important initiative: the Trusted Trader concept.

Trusted Trader Program Pilot

With the growing complexity of the global supply chain, our trusted partnerships with industry have become ever-more important. Through our conversations with industry, we are learning more about how the global supply chain works and how we need to adapt to better protect the U.S. economy and the country. We understand that every business model manages its level of trade compliance differently given the size of the company and the risk of the commodity or goods, so we are taking a flexible approach with the Trusted Trader pilot and looking at ways to incorporate the participation of small- to medium-sized entities.

We have started testing our Trusted Trader program pilot, which will run for approximately 18 months so that we can fully assess it. Our initial 9 test volunteers have been notified and they are in the process of applying for the program. Additionally, we are also taking steps to align with the Authorized Economic Operator or AEO programs in other countries. We are exploring

commonalities with the mutual recognition arrangements that we currently have in place to see how we can best accommodate the new Trusted Trader program.

Every day that we get closer to completing the implementation of our trade transformation, we, at CBP, are acutely aware of the impact that we have internationally and the connection the global supply chain to America's economic competitiveness.

Centers of Excellence and Expertise

As an agency, we understand the importance of having consistency at the country's 328 ports of entry. Through one of our other trade transformation initiatives—the Centers of Excellence and Expertise—we are making great strides. The Centers, all 10 of them, are in a state of growth right now. They are all open for business and accepting applications.

Internally, we are in the process of going through a reversion of a corporate reorganization. Basically, we are better aligning our staff by industry across the entire agency. We need to do that in order to be able to work in the virtual center environment most effectively. It also helps us with our bidirectional education efforts, where we are learning from industry and industry is learning from us. This is how we start to develop a more meaningful and enhanced security posture. So that we're not just sending out a flood of requests for information for no specific reason—those dreaded CF-28s.

Instead, we are working in a much more targeted fashion. We are using intelligence to find noncompliant goods that should not enter the U.S. commerce because they're harmful from a trade perspective and detrimental to our economy.

We're also strengthening our industry specific expertise. And learning too. Never in my life did I think that I would know so much about women's footwear.

In the coming months, we're going a step further with our new way of doing business. We'll be accelerating the level of processing at 3 of the 10 Centers to test the environment and see what's working and what's not. The three Centers— 1) Electronics; 2) Pharmaceuticals, Health and Chemicals; and 3) Petroleum, Natural Gas, and Minerals will be assuming trade processing for all transactions associated with their respective industries. The next phase for these Centers allow CBP to fully examine new and innovative concepts, procedures, and practices with the trade community that we've not yet tested. After we are satisfied that these three Centers are running smoothly, we will bring all of the other Centers on board so that they, too, will be 100 percent operational.

Apparel, Footwear & Textiles CEE

Since all of you work closely with the Apparel, Footwear & Textiles CEE, I want to give you an update on the progress of that Center. As you know, the Apparel, Footwear & Textiles CEE was launched in June 2013. Right now, the Center is processing shipments for 26 importers who are our trusted trade partners. During the last fiscal year, \$124 billion worth of apparel, footwear and textile goods were imported into the U.S. by nearly 70,000 entities. So in terms of volume, the Center is currently processing cargo for approximately 24 percent of the industry. That number will increase as the Center takes on more importers.

One quick story I'd like to share with you to illustrate how the Centers are working is something that happened this past August at the Apparel, Footwear & Textiles CEE based in San Francisco. One of the large athletic apparel and footwear importers contacted the CEE about time-sensitive shipments that was held up at the Los Angeles port of entry. The shipment, which contained newly designed footwear with high-tech cleats, was en route from China to the Seattle Seahawks football team.

The importer explained that it was imperative that the shipment arrive for a very important match the team was playing against its archrival, the San Francisco 49ers, the following day.

Even though the director of the Apparel, Footwear & Textile CEE is an avid 49ers fan, she worked tirelessly with the port of Los Angeles to locate the shipment and ensure that it was released on time. The result was the Seattle Seahawks got their football cleats just in the nick of time and they played so well they crushed the San Francisco team.

We don't always have this type of last minute, quick success, but this story illustrates the dedication that our Apparel, Footwear & Textile CEE has to importers and the trade community. When we can, we will facilitate and try to expedite shipments for our CEE partners, our trusted traders.

And finally, there is one last point I would like to make about the CEEs. It is a fast moving and evolving industry and we're aware that the folks in this room work for companies that are continuously changing products to keep up with the latest

trends and fashion. So the goal of the Apparel, Footwear & Textile Center is to be right alongside those dynamic changes, right alongside industry, making sure that CBP is understanding those trends to assist you in areas of classification and valuation, so that we can both be keeping up with the speed of commerce together.

Single Window Implementation

Consistency and harmonization also have been the driving force behind our automation efforts. Nearly 50 U.S. federal agencies have equities in our trade process, and currently there are hundreds of paper forms being used to import and export goods. Through the Automated Commercial Environment, or ACE's CBP cargo processing system, we are transforming this process so that it is more efficient, reduces costs, and increases predictability for importers and exporters.

In February, President Obama issued an Executive Order to streamline the U.S. import/export process—creating a “Single Window” for businesses to electronically transmit the data required by the U.S. government to import or export cargo. The Executive Order, which has a timeline consistent with our year-end 2016 completion date for ACE, is aimed at speeding up export shipments of American-made goods so that we can compete more effectively in the world marketplace.

When the process is fully implemented, there will be one common set of harmonized data elements used by the entire U.S. government for any import or export transaction—so importers and exporters will be able “file once, use many times.” This will not only speed up the process for companies when they submit their information, but through the Single Window technology, all of the U.S.

federal government agencies will be able to simultaneously review the submission and give a quicker response. Another great part of this is that it provides predictability on shipments. Importers and exporters will know whether their cargo is being released or not.

So if you have not already transitioned to ACE, now is the time to do so. We want a system that works for all of you and in order to accomplish that, we're going to need your participation in the process.

ACE will be fully implemented by December 2016, but the key date for you to remember is **November 1st, 2015**. This is a critical date because this is when all electronic entries and the associated entry summaries must be filed in ACE.

We also encourage you to follow-up with the other government agencies that impact your trade. CBP is working closely with the other government agencies on their transition to ACE. Check the schedule, which is now online, to find out when they plan to become active in the Single Window and participate in pilots with these agencies' new capabilities as they rollout over the coming year.

And there's something else we need your help with. Understand that (b) (6) (b) (6) from the Department of Commerce and (b) (6), (b) (7)(C) from CBP recently met with your president (b) (6) and the ITAC-13, the textile and clothing trade advisory committee, to present a roadmap of the so-called "pain points" that exist in our country's import and export processes. The map was developed by COAC, our federal trade advisory committee, to help us identify impediments to a smooth flowing import and export process.

So far, we've learned a lot from this mapping exercise, but now, we are turning to you for your input. We want your feedback on how this roadmap impacts your industry and if there are any opportunities to improve the import/export process. Your suggestions are very valuable because remember, we are not only automating the process, we are modernizing the way we do business. It's important that we have your industry's perspective, so that we are building a system that is easier and more efficient for you, and at the same time helps us assess risk properly and do everything that we need to do to ensure supply chain security.

Trade Enforcement

Now, I'd like to talk about how we're working on our trade enforcement strategy. The textile and apparel world has changed a lot over the last 10 years. We no longer have quotas and the growing number of free trade agreements has shifted sourcing trends for many in this industry. First, there was CAFTA—the Central America Free Trade Agreement—and then, there were agreements signed with Colombia, Panama, and South Korea. Next on the docket is the proposed Trans-Pacific Partnership. If the U.S. signs this ambitious free trade agreement with 11 other countries throughout the Asia-Pacific region, it will change the business landscape again.

As we're looking at these changes, as we're looking at the tools that we're building for our modernization, and as we're looking at the key role that your industry plays in the economy—it's important that we reflect on how we can continue to grow together in partnership, not only with facilitation and automation, but also in terms of enforcement.

CBP understands that members of associations like yours are interested in conducting legitimate business in the marketplace. We also know that you understand the importance of keeping a level playing field for all importers. Our role with textiles, apparel, and footwear is to facilitate legitimate trade and also to make sure that we have the proper enforcement in place to protect against unfair trade practices that undermine legitimate importers, brands, and retailers. Enforcement is important not only to protect the country's revenue, but to prevent unsafe products from entering the commerce so we can protect the American public. We also enforce tariff and trade laws to intercept counterfeit goods and protect businesses such as yours from intellectual property theft.

Many of you may have been on the receiving end of an inquiry from customs about your import transactions, but the overarching methodology that we use is, in fact, focused on where the high-risk areas of trade are.

During fiscal year 2013, apparel, textiles, and footwear comprised the largest category of seized counterfeit merchandise. 79 percent of all seizures were counterfeit textile and designer goods worth \$1.4 billion according to the Manufacturer's Suggested Retail Price. These figures underscore that we clearly have a problem that requires enforcement. There's a need to protect the real goods, which you, the legitimate importers, bring in. There's also a need to protect the American public, so that they're buying what they believe they are buying, rather than something that's not authentic. And there's a need to protect your companies' good names.

Operation Stormy Weather

I'd like to take a moment to tell you about one of the special operations CBP ran this year to weed out bad actors that intentionally misclassifying goods to circumvent paying duties. Operation Stormy Weather, which took place from early July to early October, targeted water resistant apparel. We were checking to see if anorak coats, ski jackets, ski pants, and other garments that were classified as water resistant actually met the special definition to qualify for the reduced duty.

As many of the folks in this audience know, there's a significant difference in the duty rate for apparel that's classified as water-resistant versus apparel that's not. Water resistant items are not duty free, but they are significantly reduced, ranging from 6.2 to 7.6 percent. In contrast, duty rates for non-water resistant clothing can be as high as 28.6 percent.

Operation Stormy Weather was a nationwide sting involving 20 ports and 58 importers of record who claimed that their goods qualified under the various water-resistant provisions. The operation included nearly \$22 million of merchandise that was classified as water-resistant. While the results are still pending, so far we have found that there were 8 discrepant importers and, in the worst case scenario, potential loss of nearly \$3 million for the United States if the goods were incorrectly classified. The point here is that something as simple as this can have a dramatic impact on the economy. Furthermore, for manufacturers who are doing their best to meet the requirements and also satisfy customers, sharing the duty break just isn't fair.

We've learned that in order for our enforcement efforts to be successful, we need to partner with you. We need your help to protect the American economy and

grow our nation's businesses. It is through working with you that we can detect bad actors earlier in the supply chain and anticipate new threats before they fully emerge.

Conclusion

In closing, I thank you for letting me join you today. As I shared with you this morning we're looking at consistency, we're looking at harmonization, we're looking at modernization, and we're looking at continuing to strengthen our partnership with your industries as we mature our systems and processes. And so, it is going to be key for you to continue to participate and give us your input because we don't want to build a new process without you. Thank you.

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D R A F T

Remarks by Kevin K. McAleenan

Association of American Railroads(AAR)

Safety and Operations Management Committee and

Policy and Advocacy Management Committee

Washington Dulles Airport Marriott

Dulles, VA

November 7, 2014

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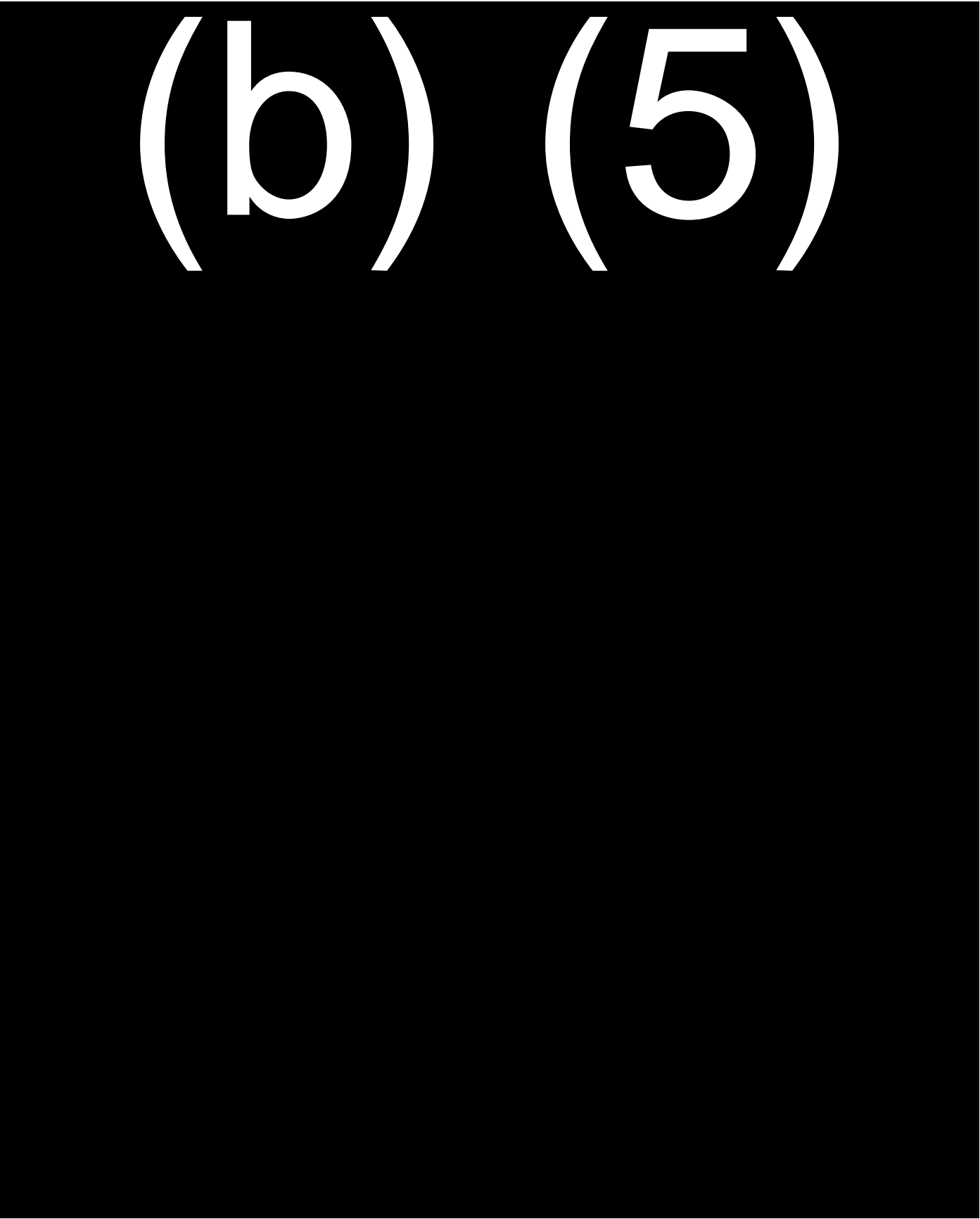
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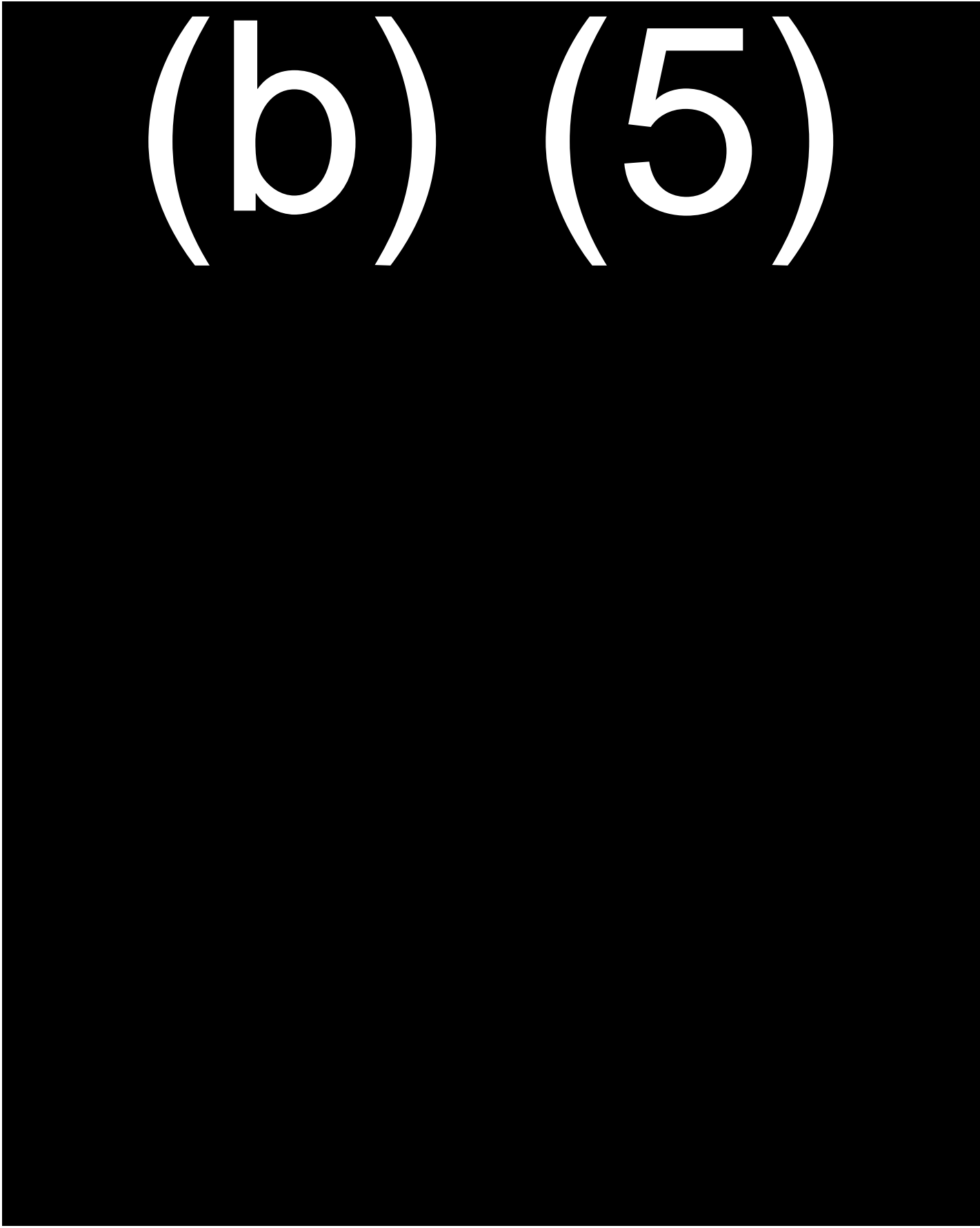
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U.S. Customs and Border Protection

Remarks by Kevin K. McAleenan
National Sheriffs' Association Mid-Winter Conference
J.W. Marriott Hotel, 1331 Penn. Ave. NW WDC
Jan. 23, 2015: 8:15-8:30 a.m.
Introduction: (b) (6) bio attached)

Press: Closed
Run Time: 15 mins.
Audience: ~25-50
Format: Seated/Roundtable
Q&A: Yes

National Sheriffs' Association— Governmental Affairs Committee Mid-Winter Conference

Introduction

- * Thank you, (b) (6) for that kind introduction and, on behalf of CBP, let me welcome you all to Washington.
- * As recent events have shown, our world ~~can~~ be a dangerous and complex place.
- * Your agencies and organizations face many of the same threats on a local and regional level that CBP faces nationally and internationally, and we also share many of the same Federal, state, and local policy challenges



U.S. Customs and
Border Protection

CBP Overview

- * With roughly 60,000 employees, we are one of the ~~world's~~ largest law enforcement organizations and the ~~world's~~ first “full service” border entity.
- * CBP’s increasingly diverse mission maintaining border security while facilitating lawful travel and trade requires adeficate balancing act one that I am certain resonates with your own organizations how to be effective and unyielding in our commitment to our law enforcement mission while the same time – being welcoming to and approachable by the general public.
- * Our comprehensive approach to border management and control combines customs, immigration, border security, counter-terrorism, and agricultural protection into one coordinated effort.

On a typical day, CBP

- ~~processes~~ **nearly 1 million visitors ;**
- ~~screens~~ **more than 67,000 cargo containers**
- ~~arrests~~ **more than 1,100 individuals** and
- ~~seizes~~ **nearly 6 tons of illicit drugs.**



U.S. Customs and
Border Protection

- * These are certainly challenges and you might say they are all in a day's work."
- * But in 2014, we also faced several significant— in some cases, highly unusual— issues ranging from a humanitarian crisis on our Southwest border last summer to questions about use of force among our agents and officers, to the Ebola epidemic, to the emerging threat of so-called "foreign fighters"
- * I am proud that CBP employees have risen to these challenges, and we are implementing certain changes and reforms that will make CBP an even more effective and efficient agency

Integrity

- * Last September, DHS Secretary Jeh Johnson delegated to CBP the authority to investigate our employees for alleged criminal misconduct— an authority CBP previously relied on Immigration and Customs Enforcement to execute.



U.S. Customs and
Border Protection

- * Among other things, ~~w~~ formed an Integrity Advisory Panel co-chaired by former DEA Administrator Karen Tandy and New York City Police Commissioner William Bratton.
- * We continue to emphasize the need for personal responsibility by every employee for ethical behavior, on and off duty~~ly~~ basically, beyond the badge.

Use of Force

- * The use of force by law enforcement agencies is a dominant presence in the daily news headlines, and this issue has been one of our top priorities
- * Based on an FBI best practice~~we~~, are implementing a unified, formal review process for use of force incidents.
- * This process would create a unified and measured CBP-wide approach to effectively respond to, investigate, coordinate, report, review, and resolve use of force incidents in a timely manner.



U.S. Customs and Border Protection

- * Our officers and agents must be given all the training and equipment necessary to be accountable to the public we are sworn to serve with integrity and trust, while at the same time protecting themselves.
- * Commissioner Kerlikowske also ordered the release of the Police Executive Research Forum (PERF) report on ~~CBP~~ Use of force.
- * In turn, we made changes to our Use of Force Policy Handbook to align with the most current law enforcement best practices.
- * This revised handbook was developed by CBP personnel and it reflects a deep understanding of our diverse operational environments and our increasingly complex duties.
- * CBP is also implementing a Use of Force Incident Team and a Use of Force Review Board.

Body-Worn Cameras

- * These observations about use of force and integrity lead directly to a related topic: the use of body-worn cameras.



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- * At CBP, we are committed to equipping our officers and agents with the best enforcement tools to make them safer, more effective, and more efficient.
- * We are currently undertaking a deliberate process to examine the feasibility of body-worn camera technology into CBP law enforcement operations
- * We want to take a hard look at this technology, thoroughly examine the issues surrounding adaptation, and objectively consider how body-worn cameras can benefit the public we serve as well as our agents and officers.
- * State and local law enforcement agencies that have deployed body-worn cameras are seeing positive results, such as reducing the number of use-of-force incidents, protecting officers from unfounded allegations, and providing evidence that is useful in investigations and prosecutions. Our study will assess and evaluate the use of this technology in our unique border security environment.



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Unaccompanied Alien Children

- * In the year ~~2000~~, CBP apprehended ~~1.6 million people~~ who tried to cross our borders illegally. That number has steadily declined, and in recent years it has averaged a ~~400,000~~— the lowest level since the 1970s
- * However, the spring of 2014 will be remembered as a particularly challenging time, as the flow of migrants, particularly unaccompanied minors and family units, increased alarmingly.
- * On the Southwest Border, apprehensions of unaccompanied minors increased by 77% from Fiscal Year 2013 from 38,759 to 68,541.
- * The apprehension and processing of these children present unique operational challenges for CBP as well as for other agencies such as Health and Human Services and FEMA.
- * The Border Patrol and other CBP personnel and DHS components did a remarkable job under very difficult circumstances in dealing with the situation.



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- * DHS and its interagency partners from the Departments of Health and Human Services, Justice, Defense and State, worked closely with our allies in Mexico and Central America to address the spike in migration.
- * We are preparing for future immigration surges (particularly seasonal, January-May) so we can adequately manage and care for these children, while ensuring the integrity of our security mission.

The Ebola Threat

- * Turning now to a crisis of a different sort, CBP is also on the front lines in the efforts to prevent the Ebola virus from gaining a foothold in this country.
- * Our CBP Officers have initiated enhanced screening of passengers traveling from affected countries in response to the Ebola threat from West Africa.
- * We partnered with CDC at five airports across the country (JFK, Chicago, Dulles, Newark, and Atlanta) to ensure enhanced



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screening capacities are available at the airports receiving the majority of passengers from these countries.

- * The screening process consists of a tiered approach of targeting, enhanced surveillance, and questioning of travelers with a travel nexus to the affected regions.
- * In addition to our existing training, CBP has collaborated with the CDC to provide additional training on the use of Personal Protective Equipment. All five airports conducting enhanced screening have received this additional training.

Border Security and Counter-Terrorism

- * Of course, CBP's primary mission remains keeping our borders secure and preventing terrorists and weapons of terror from crossing those borders.
- * As you know, the terrorist threat is evolving.
- * The 9/11 attacks represented a terrorist organization that had a relatively simple command and control structure.



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- * In the wake of the elimination or capture of core al-Qaeda members, we are now seeing al-Qaeda affiliates and groups—such as ISIS—that even al-Qaeda has renounced.
- * CBP is adapting to this evolving threat.
- * We are using more of a risk-based strategy in our border security operations, and that involves the use of technology, sophisticated surveillance, and using our existing resources in smarter, more efficient and more effective ways.
- * CBP is also enhancing data collection and analysis so we can counter-act threats from so-called “foreign fighters,” terrorists and transnational criminal networks more effectively.
- * CBP’s National Targeting Center analyzes each traveler’s risk before departure to identify possible matches to the U.S. Government’s consolidated terrorist watch-list, Interpol lost and stolen passports, criminal activity, fraud, and other mala fide travelers, including U.S. citizens.



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- * In concert with its partners, CBP works to ensure that travelers who present a risk are appropriately interviewed or vetted before boarding a flight bound for the United States, and that any document deficiencies are addressed before traveling to the United States.
- * CBP has placed officers in strategic airports overseas to work with carriers and host nation authorities.
- * By building strong liaisons with airline representatives, CBP is improving our ability to address threats as early as possible and effectively expand our security efforts beyond the physical borders of the United States.

Conclusion

- * In closing, I would just like to say thank you for inviting me to speak to all of you here today.
- * It's a priority for the Commissioner and me to strengthen our partnerships with you, so please don't hesitate to reach out to us if



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there is something CBP can help you with. For example, we have an Advanced Training Center in Harpers Ferry, WV that you may find of great use to you and your teams and we can help facilitate training for you. Additionally, there is an open invitation for you to head down to the border to meet with our leadership and see firsthand our operations.

- * Our partnerships continue to be an effective weapon in our shared fight against those who would harm us, our families, our communities, and our homelands.
- * Thank you.

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Remarks by Deputy Commissioner Kevin K. McAleenan

Press: Closed

Name of Event: Internal Engagement 1st Anniv.

Run Time: 4 mins (Intro)

Location: Harper's Ferry, WVA

Audience: ~75

Date: March 27, 2015 1:15-1:45 p.m.

Format: Podium

Introduced by: N/A

Q&A: No

Introductory Remarks CBP Senior Leadership All-Hands

Introduction

Good afternoon! I am happy to be here today to welcome CBP employees both here at the CBP Advanced Training Center in Harper Ferry – as well as all of you joining us remotely to mark the milestone of Commissioner Kerlikowske's one-year anniversary as our leader. We look forward to hearing his remarks and answering some of your questions on the path ahead.

Before I introduce the Commissioner, I would like to take a moment to thank all of you for your efforts over the past 12 months and your dedication to our mission in the face of growing challenges and complexity.

Thanks to the Commissioner, I am incredibly grateful and humbled to have been formally sworn in as Deputy Commissioner last week, and I could not be more excited about the opportunity to support him as he leads our agency.

We have so much going for us.

Many of you have heard me talk about our strengths as an organization—our five pillars-- our

**Mission;
Authorities;
Capabilities;
People; and
Culture**

CBP has the most compelling mission in law enforcement—to be the guardians of our Nation's borders and gateway to the U.S. economy

Every day, we defend our homeland by barring entry to terrorists and criminals while making sure that lawful travelers are admitted quickly and efficiently.

We prevent the importation of harmful goods and seize counterfeit merchandise, hazardous materials, and prohibited agriculture products and pests while making sure that lawful cargo enters the commerce stream without undue delay.

The scope and importance of our mission has given us extensive authorities which we must exercise consistent with the public trust



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Enforcing the laws and regulations of nearly 50 other agencies, with unique border authorities, places enormous responsibilities on our shoulders

Our **capabilities**, from our data access and analytical systems, to our aircraft and vessels, to our enforcement and foreign strengths, are world-leading among global border agencies

Our risk-based, intelligence-driven operations and our commitment to collaborating with public and private sector partners is a proven formula for success. But make no mistake: ~~know~~ we can always do better. And we will.

Of course, none of these attributes matter without our **people**—the agency's heartbeat. You have never let us down. But we know we can do more to invest in you to develop and train our team, and continue to attract the best and brightest investment that will take us all to the next level.

Our **culture** is still developing—that's one of the things we are talking about with our leadership team this week. We are a young agency and our character is still forming. It is marked by dedication, innovation,



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teamwork— and, with the Commission's leadership, increasingly by transparency and integrity.

Our speaker today embodies each of these values. This month marks his first anniversary as Commissioner, and he has already made an indelible mark on this agency as a leader. He has a deep understanding of where we are as an agency, where we need to be, and what we need to do to get there. He has already done a great deal to build on our strengths and shore up our weaknesses. And I, for one, am fired up to see what we can become under his leadership.

Please join me now in welcoming our Commissioner— Gil Kerlikowske.

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Remarks by Deputy Commissioner Kevin McAleenan
Name of Event: Bring Your Child to Work Day
Location: RRB Rotunda Ballroom
Date: April 23, 2015– 9:00 a.m.
Introduced by: TBD

Press: Closed
Run Time: 5 minutes
Audience: 150-200 kids age 6-18
Format: Podium/Informal
Q&A: Yes

Bring Your Child to Work Day

Good morning!

Welcome to U.S. Customs and Border Protection CBP. My name is Kevin McAleenan and I am the Deputy Commissioner of CBP. The adults who brought you here today your parents, your grandparents, your guardians- work for me, and I am really proud of the job they do

How many of you know what CBP does?

[show of hands, call on a child or two for their answer]

CBP is the biggest Federal law enforcement agency in the Department of Homeland Security. We have a very important and complicated mission.

Quite simply, we guard our nation's borders by keeping bad people and bad things— like drugs— out of the country, while we let good people and cargo come in.

It's a big job Our employees patrol 6,000 miles of Mexican and Canadian international land borders and 2,000 miles of water surrounding the Florida Peninsula and the island of Puerto Rico. We also secure and facilitate operations at 328 ports of entry throughout the United States.

Who can tell me how many people work for CBP?

[show of hands, call on a child or two for their answer]

CBP has 60,000 employees. You are going to meet some of these people today and learn about the exciting work they do. Many of them will be wearing some pretty cool uniforms too.

How many different uniforms does CBP have?

[show of hands, call on a child or two to answer]

CBP has 3 uniforms -

The green uniforms are for the Border Patrol. The Border Patrol makes sure that people who don't belong here don't sneak across the border. Sometimes they patrol the border on foot, and some even get to ride horses or ATVs.



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The blue uniforms are CBP Officers and Agriculture Specialists. They inspect passengers and cargo at airports, seaports, and a land border crossings between the U.S. and Mexico or Canada.

The tan uniforms are for our Air and Marine Interdiction Agents, and they fly planes and helicopters and use speedboats to patrol the skies and the seas.

Of course, we have thousands of employees who wear uniforms, and they help support our mission just as much by making sure our law enforcement officers and agents have the proper tools, equipment, and information they need to do their jobs.

You will also meet a few other 'employees' that are a very special part of our workforce - they will be the ones with four legs. Our dogs help us find drugs and money and guns and even food and plants because some kinds of food and plants could contain diseases or bugs that might hurt U.S. crops or farm animals or harm our forests.



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The theme of this year's event is "~~#~~MPOWR: Knowledge + Choice = Strength". Your parents made a great choice when they chose to work for CBP. They are making a difference in the lives of Americans by helping our economy grow and keeping our country safe.

Today, I'd like for you to think about your special talents and imagine how you can use them to make our nation better. Maybe you will choose to work for CBP someday.

But that's a long way off, and you have plenty of important things to focus on before you have to think about that!

I want to thank your parents and guardians who brought you to visit us today. I am extremely proud of the work they do and I hope you are, too.

Well, you have a very exciting morning ahead of you! I hope you have a lot of fun today and come away with a deeper understanding and appreciation for the work your parents/guardians do each day. I also hope that you walk away with a greater awareness of the possibilities that exist for you. The world is your dream big.



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Remarks by Deputy Commissioner Kevin K. McAleenan
Name of Event 22nd Annual Logistics & Mfg. Symposium
Location: Texas A&M University, Laredo, TX
Date: Sept. 22, 2015- 12 – 1:15 p.m. (Keynote Address)
Introduced by: (b) (6), (b) (7)(C) Dir. OTR

Press: Open
Run Time: 15 mins.
Audience: 80-100
Format: Podium
Q&A: Yes

Pathways for Trade: North America

Introduction

- * Thank you (b) (6)
- * I am pleased to be here in Laredo, and I appreciate your kind invitation.
- * I am honored to be here among what can only be called the “leading lights” of Laredo
- * First, I’d like to recognize the City of Laredo Mayor, (b) (6) and (b) (6) President of Texas A&M International University.
- * I would also like to recognize:
 - (b) (6) Chair of the Symposium;
 - (b) (6) Executive Director of the Laredo Development Foundation; and
 - County Judge (b) (6)

* From CBP, I'd like to recognize

- Dave Higginson, Laredo Director of Field Operations
- (b)(6);(b)(7)(C) CBP Assistant Director of Field Operations for Trade here in Laredo
- Port Director (b) (6), (b) (7)(C) and
- (b) (6), (b) (7)(C) Director of CBP Office of Trade Relations.

[pause]

* Let me begin by noting that Mexico and the United States are deeply connected in trade, culture, commitment to democracy, and economic interests.

* More than **\$530 billion** in trade flows between the two countries each year

* Mexico is Latin America's second-largest economy and ranks in the top three of our nation's trading partners².

¹ United States Census, "2014: U.S. trade in goods with Mexico." <https://www.census.gov/foreign-trade/balance/c2010.html>

² Congressional Research Service, "U.S.-Mexico Economic Relations: Trends, Issues, and Implications," April 20, 2015. <https://www.fas.org/sgp/crs/row/RS2934.pdf>



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- * Our shared commitment to the North American Free Trade Agreement continues to help drive economic growth and prosperity.
- * With **\$1.45 billion** a day in two-way trade and **nearly one million people** legally crossing between the U.S. and Mexico each day, healthy border infrastructure is vital.
- * And you're driving those numbers
- * Consistency and harmonization are equally important
- * So, how can CBP help you?

CBP's Trade Vision

- * A report issued by the **World Economic Forum** in 2013 concluded that reducing supply chain barriers can increase global GDP up to six times more than removing all import tariffs.
- * Think about that for just a minute.

³ U.S. Dept. of State, Bureau of Western Hemisphere Affairs. "U.S. Relations with Mexico" (fact sheet), Sept. 10, 2014. <http://www.state.gov/r/pa/ei/bos-4-5749.htm>

⁴ U.S. Dept. of Homeland Security, "How Do I Cross U.S. Borders?" (updated July 31, 2015) <http://www.dhs.gov/how-do-i/cross-us-borders>

- * That kind of increase in GDP would have a tremendous positive impact on unemployment potentially generating millions of jobs.
- * The study also pointed out ~~this~~ **if every country improved just two key supply chain barriers**—such as customs clearance delays, lack of standardized procedures or poor infrastructure ~~the~~ global GDP or gross domestic product could increase ~~\$2.6~~ **\$2.6 trillion** and trade by ~~\$1.6 trillion~~ **\$1.6 trillion or nearly 15 percent**
- * As the second-largest land border port of entry in the Nation, Laredo is critically important to the U.S. economy.
- * Its economy is based on international trade with Mexico.
- * In fact, most major transportation companies ~~don't~~ **don't** to be “major” without firmly establishing hubs in Laredo.
- * The four international bridges and the two airports that grace this city are powerful conduits between the United States and Mexico.
- * So, today I want to tell you about what CBP is doing to help cement this city's status as a jewel in the crown of North American economic growth



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- * I want to tell you about the new efficiencies that await your companies with the implementation **of the Automated Commercial Environment, ACE**, as the foundation for the U.S. **Single Window**.
- * I want to share the progress we are making with our Centers of Excellence and Expertise especially the Machinery Center based here in Laredo.
- * And I will explain how we continue to transform the ways we do business through strategic partnerships with the private sector

Engagement with Mexico

- * But first, let me say a few words about CBPs engagement with Mexico.
- * Let me begin by noting that Mexico and the United States are deeply connected in trade, culture, commitment to democracy, and economic interests.



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- * Our shared commitment to the North American Free Trade Agreement continues to help drive economic growth and prosperity.
- * In fact, in the wake of that agreement, which entered into force in January 1994, U.S. exports to Mexico jumped from **\$41.6 billion** to **\$240 billion** – an increase of **478 percent**⁵
- * The story played out much the same with imports from Mexico, with those figures rising from **\$40 billion** in 1993 to nearly **\$295 billion** in 2014 – a **637 percent** increase⁶.
- * President Obama and President Pena Nieto announced the U.S.-Mexico High Level Dialogue two years ago.
- * The goal is to generate tangible economic benefits for citizens of both countries and promote economic growth to ensure that North America becomes one of the most competitive regions of the world.

⁵ Congressional Research Service, “U.S.-Mexico Economic Relations: Trends, Issues, and Implications,” April 20, 2015. <https://www.fas.org/sgp/crs/row/R42934.pdf>

⁶ Ibid.



- * The second HLED meeting was held in Washington, D.C. this past January.
- * CBP and Mexico's Tax Administration Service (SAT) continue to work in the development of a single customs manifest for all transportation modes.
- * The Single Rail Manifest (northbound) is operating in four of seven railway border crossings (Mexicali, Nogales, Juarez and Matamoros) and the remaining three crossings plus air and sea manifests are expected to be operational by the end of this year.
- * Turning to **supply chain security and enforcement** last October, the Commissioner had the honor of signing **Mutual Recognition Arrangement** with Chief (b) (6) of Mexico's Servicio de Administracion Tributaria.
- * This Agreement formalizes compatibility between our Customs-Trade Partnership Against Terrorism (C-TPAT) program and Mexico's New Scheme of Certified Companies, or NEEC.



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- * NEEC expects to have conducted 66 validations by the end of this calendar year of companies in Mexico that are both C-TPAT and NEEC members
- * And C-TPAT will recognize the outcome of those validations, while also conducting validations on behalf of NEEC.
- * They will also conduct a number of joint validations. This is what mutual recognition is all about more efficiency, less redundancy
- * Specifically, the NEEC program provides 38 tangible benefits to their members- most of them tax-related but many of them are operational, which include:
 - o Lower percentage of customs inspections;
 - o Assigned NEEC specialists to assist them;
 - o Priority line inspections; and
 - o FAST-exclusive lines
- * Currently, in the NEEC program, there are 439 certified companies, 41 carriers, and 26 brokers.



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- * Mutual Recognition Agreements ensure supply chain security while removing those barriers that would stifle economic growth, facilitating the flow of cargo and saving resources (time and money) for both partners.

Cargo Pre-Inspection

- * Another example of collaboration Cargo Pre-Inspection Pilots.
- * The Cargo Pre-Inspection Program with the Government of Mexico (GoM) started on in 2012.
- * In September 2013 CBP and GoM officers were officially co-located at the new General Aviation Facility.
- * U.S. officials working side-by-side with Mexican officials will have the potential to significantly reduce congestion and wait times, along with storage and other operating costs for business.
- * In the coming months **CBP and SAT will inaugurate two cargo pre-inspection pilots**—one at the Laredo Texas International



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Airport and another at the Mexico Customs facility at Mesa de Otay-Baja California

- * A third pilot is planned for 2016 at the FOXCONN facility located near the Mexican customs port of entry at ~~San~~ **San** **Antonio** Chihuahua.
- * This program will reduce wait times and costs in foreign trade transactions with most of the shipments, from the program participants, being inspected only once by both customs authorities in the territory of the exporting country.
- * Let me get into some specifics about the pilots
- * At the **Laredo Texas International Airport**, CBP and SAT will inspect air cargo shipments from the auto, electronics, and aerospace industry sectors bound for eight Mexican airports (Aguascalientes, Guadalajara, Toluca, Hermosillo, ~~Rancho~~ **Amaz**, San Luis Potosí, ~~Si~~ **lao** and Queretaro).
- * On the Mexican side of the border, at the customs port **Mesa de Otay - Baja California**, CBP and SAT personnel will inspect



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shipments U.S.-bound shipments of certain Mexican agricultural products.

- * Once the **FOXCONN** facility is completed, CBP and SAT will inspect U.S.-bound shipments of computers at other electronic goods at the Mexican customs port in **Sanónimo**- Chihuahua.

ACE/Single Window

- * This brings me to the “Single Window” – the best window for allowing your companies to prosper in this increasingly competitive environment.
- * I’m talking, of course, about the Automated Commercial Environment (ACE).
- * Thanks to the hard work of our industry partners and companies like yours – as well as numerous agencies across the Federal government, CBP is on track to deliver the International Trade Data System through ACE a year ahead of the President’s



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December 2016 deadline that calls for the system to be the primary means of inputting and receiving trade data at the border

- * We are embracing the opportunity presented by this enabling system to re-engineer, and in some cases streamline, our outdated, redundant, paper-laden processes
- * This will yield a more coordinated and efficient approach to managing the border and downstream trade processes.
- * Here is where we stand in terms of functionality that is now available through ACE:
 - More than **85 percent** of Single Window capabilities have been deployed;
 - **100 percent** of import manifest functionality;
 - More than **90 percent** of core cargo release processing capabilities;
 - More than **80 percent** of export processing; and
 - More than **80 percent** of post release capabilities.



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- * By **October 31, 2015** all major capabilities for filing partner government agency entry summary and cargo release will be deployed at ports across the nation.
- * The next day, **November 1**, ACE becomes a CBP-authorized Electronic Data Interchange (EDI) system for electronic filing of entry and entry summary.
- * CBP strongly encourages electronic filers to transition to ACE as **the** EDI system for filing information via the PGA message set and Document Imaging System.
- * We anticipate that Automated Commercial System (ACS) **will no longer be available by end of February 2016.**
- * The successful deployment of this new system represents a tremendous accomplishment in partnership with our industry stakeholders.
- * We thank industry for the hard work and momentum that they continue to provide to the single window implementation.



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- * We also appreciate their feedback on the needs they have in testing and transitioning to the new ITDS system.
- * And we recognize the significant impact that transitioning to a new system has on industry business processes, and the corresponding investment the trade is making.
- * Our Federal advisory committees, such as the Commercial Operations Advisory Committee (COAC), have been very vocal about the need for industry to have more time to update their own systems before the new system becomes mandatory.
- * In order to provide the industry with more flexibility to meet the November 1 milestone, CBP would like to encourage all members of the trade to begin using ACE electronically file the most commonly filed import transactions (e.g., entry summary, cargo release) as soon as possible to have the maximum amount of time to adapt to the new system.
- * The majority of the ITDS technical capabilities for entry and entry summary to electronically file trade information for CBP and for



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participating government agencies will be available to the trade no later than October 31

- * By that date, the remaining capabilities for FDA and for APHIS will have been released for testing and adoption by industry.
- * CBP and its federal partner agencies will closely monitor industry adoption and system performance rates in advance of a new **February 28th, 2016 transition milestone**.
- * By that date, industry partners will be expected to have transitioned to filing entries and entry summary through the ITDS (ACE) system for FDA, NHTSA, APHIS (Lacey), and CBP only data.
- * Again, I want to emphasize that on Oct. 1, 2016, ACE will be the mandatory filing method for all remaining electronic portions of the cargo process
- * CBP has reached out to the trade community in a significant ways:



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- We have conducted site visits to every CBP field office to discuss the transition with local trade stakeholders;
 - We have been actively contacting each of the top 200 filers to help them transition to ACE, and port personnel are engaging smaller, local filers— companies that may not enjoy the benefits of membership in organizations like yours to make sure they are ready; and
 - We hold monthly trade calls with the trade community.
-
- * We are committed to continuing our dialogue with industry and look forward to achieving our goal together.
 - * We are also working with international partners who are developing their own Single Windows.
 - * Mexico, by the way, is on the forefront, having already deployed a viable Single Window, saving Mexico money, time, and resources.
 - * CBP's Single Window team and Mexican Customs have worked closely to harmonize data set standards used by both countries



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- * And we continue to work with Canada so we can harmonize certain cargo processes bilaterally and even tri-laterally to the extent possible.

Centers of Excellence and Expertise

- * Turning now to CBP's Centers for Excellence and Expertise, these centers are transforming the way we approach trade operations and the way we work with the international trade community.
- * The **10** Centers reflect our expanded focus on aligning our processes with modern business practices, focusing on industry-specific issues and providing tailored support to unique trading environments.
- * We established the Centers in 2013 to
 - increase uniformity of practices across our ports of entry,
 - facilitate the timely resolution of trade compliance issues nationwide, and
 - further strengthen our knowledge about industry practices.



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- * One independent study found that Center participants receive far fewer requests for information from CBP ~~those infamous~~ CBPF-28 forms.⁷
- * This translates to:
 - **Four per 10,000** entries, compared to **more than 15 per 10,000** entries for non-participants;
 - Trade savings of **two hours** and **\$424** for each CBPF-28 that was not issued and
 - A **60 percent** reduction in exams for companies who joined a Center (mostly IS A-certified companies).
- * The study also found that ~~at~~ Centers will reduce the exam rate by **18 percent** for non-partner companies
- * That **18 percent** translates to approximately **2,600** exams at an estimated savings to the trade of **between \$2.6 million and \$5.3 million.**
- * With the centralized processing of the Center, ~~three~~ **three employees** took **only three hours** to handle the same number of entries.



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⁷ CREATE (Center for Risk and Economic Analysis of Terrorism Events), cited in C2's ITC presentation

- * Three of the Centers are fully operational now, and the other seven are coming on line shortly.
- * The **Machinery Center is located here in Laredo** as the central point of contact for inquiries and resolution of issues involving machinery imports.
- * **Laredo, in fact, is the top port by volume for imports of machinery products** – and Texas is the second largest state for the number of machinery importers
- * Laredo is damn near perfect in every way strategically situated to pilot a variety of CBP initiatives to increase efficiencies on the southern border
- * Like the other Centers, the Machinery Center can provide importers with a wide range of services, including:
 - all kinds of technical guidance
 - CBP policy clarification
 - assistance with lengthy cargo holds
 - information about trends involving counterfeit or substandard parts;
 - assistance with establishing targeting parameters; and



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- help with processing entry summaries and post-entry amendments.
- * CBP personnel who staff the Machinery Center are located not only in the Laredo area, but throughout the nation.
- * The Center currently has 19 participating accounts, encompassing 67 different imports of record.
- * And the Center is truly making a difference.
- * Our major accounts such as Agilent Technologies; Canon USA; Caterpillar; Stanley Black & Decker; and Xerox all report faster response times and better service thanks to this single, centralized point of contact.
- * In fact, I was gratified just recently to see some very positive press on the Electronics Center which operates out of Los Angeles in which a top executive with Lexmark noted that the Centers make enforcement much easier.



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- * CBP's vigilance—coupled with the efficiencies gained through the structure of the Centers—led to a marked increase in seizures related to violations of general exclusion orders in the market for printers, toner cartridges, and related supplies.
- * In a typical year, the International Trade Commission might issue one or two seizure-and-forfeiture orders for such violations. But this year, so far there have been about 30 such orders issued to different companies.
- * CBP's increased enforcement of the general exclusion orders is a by-product of the Centers, which make it easier for manufacturers to educate CBP employees about how to identify infringing products.
- * That's a success story from the Los Angeles Center, but that kind of positive outcome is also evident right here in Laredo.
- * **Keysight Technologies**, for example, which was spun off from Agilent Technologies last year, reports that uniformity of



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import processes across multiple ports is a huge step forward in streamlining their trade operations.

- * One-stop information access, fewer requests for information, along with quarterly update meetings with CBP have all been key benefits for Keysight and other manufacturers.
- * It's a real partnership, and CBP is proud to be part of the solution.
- * The Laredo Machinery Center has processed ~~\$53.6 billion~~ **\$53.6 billion** in total import value, for a total of ~~6.3 million~~ **6.3 million** entry line items.
- * The Center also has processed more ~~\$410 million~~ **\$410 million** in total estimated duties paid, and more than ~~\$409,000~~ **\$409,000** in total antidumping duties paid.

Public/Private Partnerships

- * Another way we are transforming our trade processes is by tackling increased passenger wait times and cargo backlogs through public-private partnerships
- * These work in two ways:



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- The Reimbursable Services Program
- The Donations Acceptance Program.

- * **Section 559** of the Consolidated Appropriations Act of 2014 permits CBP to enter into partnerships with private sector and government entities at ports of entry to reimburse services and to accept property donations.
- * The **Reimbursable Services Program** allows CBP to provide new or increased inspection services upon the request and reimbursement of external partners.
- * These services can include customs, immigration, agriculture processing and border security.
- * Currently, CBP has **20** Reimbursable Services Agreements at ports of entry in **eight** of our field offices.

- In the **Laredo Field Office**, an agreement with the **South Texas Assets Consortium** increases capacity at several crossings, including Hidalgo, Brownsville, Laredo, and Rio Grande City.



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➤ As of August 22, 2015, this partnership has provided **more than 1,500** hours of additional inspection services, accounting for the processing of **over 74,000** travelers.

- * The **Donations Acceptance Program** enables CBP, in collaboration with the U.S. General Services Administration, to accept donations for infrastructure and technology projects, expanding operations at new or existing U.S. ports of entry.
- * On July 24, CBP announced that it had selected proposals from the cities of Donna, Pharr, and El Paso for further planning and development.
- * In the **Laredo Field Office**:
 - The **City of Donna** proposed installing new inspection facilities and technologies to facilitate outbound empty commercial vehicle inspections at **Rio Bravo International Bridge**.
 - The **City of Pharr** proposed installing additional commercial booths and renovations to facilitate



agricultural inspections at the **Pharr-Reynosa
International Bridge** .

- * CBP and GSA are currently working with these stakeholders to plan and develop their proposals into executable projects that meet CBP's operational needs at a mutually acceptance cost, schedule and risk.
- * Overall, this program has resulted in tremendous improvements in how we do business.
- * Since the program's inception (12/15/2013) through the latest billing cycle (8/22/15), it has accounted for **37,000** officer overtime assignments, and **additional 105,000 hours of service**, accounting for the processing **more than 2.6 million travelers**.

Conclusion



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- * At CBP, we have long recognized ~~the~~ **collaboration and predictability** are vital to streamlining and securing supply chains and making cross-border commerce more efficient.
- * We know how important our work is to making sure the playing field is level for American businesses and industry, especially in an increasingly competitive and complex global environment.
- * We are extremely proud of what ~~we~~ accomplished thus far, and by working with our partners in the trade community to modernize our operations and policies, we can help safeguard our economic and national security.
- * Thank you; now I believe we have time for some questions.

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Remarks by Deputy Commissioner Kevin K. McAleenan	Press: Closed
Name of Event: Ribbon Cutting – OA Mobile Work Space	Run Time: 5 mins.
Location: National Place, 1st Floor, Washington, DC	Audience: 70 (and simulcast to other sites)
Date: Oct. 14, 2015– 10:00-10:45 a.m.	Format: Podium
Introduced by: AC Eugene H. Schied	Q&A: No

Open House/Ribbon-Cutting Ceremony Office of Administration's Mobile Work Space

Introduction

- * Good morning, and thank you Eugene for that warm welcome
- * I'd like to thank all of you for joining me here for this very special open house and ribbon-cutting ceremony.
- * I'd also like to recognize and express my appreciation to senior leadership for marking this milestone with me.

Workplace Transformation

- * We are all familiar with the phrase "That's so 20th century."
- * Desks and paper, cubicles and commuting these all became pretty ubiquitous during the past century.

- * But those spaces often stifle the spirit of collaboration, encourage an over-reliance on printers and paper, pull staff to their desks and isolate staff from each other
- * Many of you have probably heard me speak about 'business transformation', and how changing the way we do business is helping us keep our nation more secure while facilitating lawful travel and trade.
- * Well, these transformative efforts extend to our very workplaces.
- * It all started when CBP established a Workforce Transformation Initiative two years ago
- * That's how the Workplace Solutions Program developed.
- * We know that embracing technology and innovation ~~can~~ boost employee productivity, engagement, and collaboration.
- * Giving employees more flexibility, more power and control over their schedules, for example, improves work-life balance.
- * That's good for morale.



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- * It also conserves time and resources for CBP and employees alike.
- * Reducing CBPs “office footprint” generates savings that we can then apply to supporting our complex and critical mission.

Mobile Work Space

- * The new Mobile Work Space here at National Place represents the future of CBPs work environments
 - It connects people both physically and virtually
 - It transcends barriers to collaboration by letting employees move around based on their work styles
 - It helps employees get the job done— all the while staying connected.
- * This is **so empowering to employees**— keeping them engaged with each other, with supervisors, and with the mission.
- * We’re committed to providing greater mobility across CBP, and we’re a leader among Federal agencies in this effort
- * One of the pilots that led to the facility we’re inaugurating here today generates significant benefits.



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- * The Office of Automation consolidated the space used by 550 employees and contractors from 7 floors in 3 buildings to just 3 floors in one building.
- * This led to a 46 percent reduction in square footage.
- * We project that the new space will yield operating savings of roughly \$3.3 million in rent, starting in Year Three.
- * We're already seeing a reduction in commuting time and costs for employees, which benefits their work/life balance.
- * Paper usage is down by 22 percent.
- * We're emphasizing results-based management in other words, managing outcomes and deliverables, not people and activities.
- * Our experience with this project has generated best practices that other agencies can use, and we encourage them to do so
- * We've recognized that each office works differently because each office is a different mix of work styles.
- * These kinds of innovations can be a tough sell particularly among mid-level managers or first-line supervisors and



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especially in a city like Washington, which doesn't embrace change easily.

Conclusion

- * In closing, the modern workplace must connect people both physically and virtually.
- * And it's important to remember that work is what we do; not where we go.
- * We also need to remind ourselves that we have the power to shape our environment to suit our needs; we are not beholden to a floor plan.
- * So, I congratulate the Office of Administration for this tremendous step forward in creating a more efficient, effective workplace.
- * I want to salute the team who worked so hard to make this happen, and I look forward to seeing all the great things that are going to happen here.
- * Thank you.



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Oral Statement— Deputy Commissioner Kevin McAleenan, CBP
Senate Appropriations Subcommittee on Homeland Security
“Fiscal Year 2017 Budget Request & Results”
Washington, D.C.— March 8, 2016

Chairman Hoeven, Ranking Member Shaheen, Members of the
Subcommittee, thank you for the opportunity to appear before you. It is an honor
to represent U.S. Customs and Border Protection today.

As America’s unified border security agency, CBP protects the United States
against terrorist threats and the illegal entry of inadmissible persons and
contraband, while facilitating lawful travel and trade.

I am extremely proud of CBP’s dedicated frontline personnel, who, over the
past year, have advanced CBP’s situational awareness of the border environment,
improved our ability to interdict threats, and who continue to fulfill this Agency’s
critical mission, including responding to humanitarian challenges, with integrity
and commitment.

FINAL

The FY 2017 budget request of \$13.9 billion enables CBP to continue our efforts to support our frontline personnel; implement new technologies; and expand our public-private partnershipskey components of our efforts to optimize resources, facilitate the flow of low-risk, lawful trade and travel, and free our officers and agents to focus on high-risk cargo and illicit border crossers.

Thanks to the critical resources provided by this Committee, today, CBP continues to achieve greater situational awareness; greater mobility; and greater effectiveness in detecting and interdicting threats crossing and approaching our Northern, Southern, and coastal borders and ports of entry.

Countering the threat of foreign terrorist fighters traveling to the United States is our highest priority and the focus of multiple recent security advancementsin our programs and targeting efforts

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With support from this Committee, CBP is expanding counter-network operations at the National Targeting Center. This capability advances our understanding of the increasingly sophisticated and diffuse networks that comprise terrorist groups and transnational criminal organizations, directly supporting our border security mission, and enhancing information sharing with interagency and international partners. We will focus this powerful approach on the greatest threats to our border, from terrorist travel and financing, to organizations harming our communities by trafficking heroin, to human smugglers preying upon children and families desperate to reach a safer place, to trade violators that would seek to undermine the American economy.

We are also expanding preclearance operations with a goal to preclear 33 percent of US-bound air travel by 2024. Preclearance places our most valuable counterterrorism assets, our trained law enforcement personnel in a position to

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address threats before they board aircraft destined for the United States while increasing capacity and facilitating travel to the United States. It would like to thank this Subcommittee for the recent statutory changes that significantly improved the reimbursement mechanism to fund CBP preclearance operations and allows CBP to expand preclearance without diverting appropriated resources.

We will continue our efforts to develop meaningful performance measures demonstrate the significant improvements we have made in border security. We recognize the Committee's focus on achieving agreed metrics that inform an outcome-based approach and believe that these metrics will help enable more analytically sound decision-making within CBP.

CBP is also making multiple institutional changes to increase CBP operational agility, effectiveness, accountability, transparency, and efficiency.

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Last Fall, the Commissioner announced that CBP would be realigning the agency's headquarters structure to better support front line personnel in fulfilling CBP's critical mission. We look forward to working with this Subcommittee on these changes, which will emphasize effective and efficient decision-making, improved resource management and rightsizing the span of control for senior leaders. The realignment is pragmatic, and is focused on our organizational ability to support the front line—our ability to identify requirements and acquire solutions, to hire and retain personnel to streamline process flows and to create efficiencies for the agency.

Improvements in these areas will not only benefit CBP and the Department but will also provide the transparency and accountability that we have pledged to our employees, stakeholders, Congress, and the American people.

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Thank you again for the opportunity to testify today and for your steadfast support of CBP. I am happy to answer your questions.



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Remarks by Deputy Commissioner Kevin McAleenan

Name of Event: 2016 West Coast Trade Symposium

Location: Pointe Hilton Squaw Peak Resort, Phoenix, AZ

Date: May 17, 2016 – 1:00 – 2:00 p.m.

Introduced by: (b) (6), (b) (7)(C) Office of Trade Relations

Press: Open

Run Time: 30 mins.

Audience: ~ 500

Format: Podium

Q&A: No

2016 West Coast Trade Symposium

Luncheon Keynote

Remarks as prepared for May 25, 2016

Good Afternoon and thank you, (b) (6)

Commercial traffic continues to increase worldwide, and technological advances have been driving much of that growth. We see increased automation of supply chains, quicker cargo turnaround times, and a major growth in e-commerce.

Innovation is changing the trade landscape and increasing the complexity of CBPs mission to both facilitate and secure the global supply chain.

CBP has been transforming the way we do business to meet those challenges.

We are leveraging technology and innovative practices to operate within that growing complexity, while effectively balancing efficiency and security.

I'd like to take this opportunity to focus on where and how CBP business modernization, alongside our security and enforcement efforts, fit into the larger global supply chain; where we are with these efforts; and where we are headed.

In other words, I want to talk about:

- * ONE, Finishing What we Started—a few updates on our key joint priorities—



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- * TWO, Embracing New Challenges tackling emerging issues in partnership
- * THREE, the Foundation for the Future we have built together

But let's start by talking about my Boss for a minute. Now some would question the wisdom of talking about your boss in front of 500 people, including international media. But it's pretty easy for me.

I realize he can't hear us across the Atlantic, where he is working on continuing to enhance and strengthen international partnerships and capacity to further support the global supply chain, but I think it is worth a moment to pause and recognize his tireless efforts.

The Commissioner has been incredibly engaged, and laser-focused, on working with the international trade community and advancing trade issues—building CBP's internal capacity, working with critical stakeholders, enhancing and developing international partnerships, and



charting a consistent vision on the importance of trade issues to CBP mission and the U.S. economy.

He has been open to dialogue and ongoing engagement with just about every major association, national and regional trade leadership group, and industry representative.

He has presided over every single meeting of our Commercial Operations Advisory Council except one. I got to fill in!

He has earned CBP a valued, critical seat at the table with the interagency and White House Trade leadership, with the National Economic Council, and the U.S. Trade Representative, Department of Commerce and others.

He has enhanced relationships with leading Trade Members and staff on Capitol Hill.



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This all started the moment of his confirmation.

And to think that some of our partner—maybe even some in this room—were concerned that he might be just a Police Chief.

I'm glad you gave him a chance!

More than this, the Commission has the uncanny knack, to borrow from Wayne Gretzky, to skate to where the puck is going to be.

Let me just share one story on that note. ~~He~~ ~~on~~ ~~the~~ ~~overboards~~ I remember this quite clearly. One Friday night into Saturday morning, when the news had just broken (fairly quietly really) on ~~the~~ ~~overboard~~ ~~battery~~ catching fire, I had 3 emails from the Commissioner ~~on~~ ~~overboards~~ Now the Commissioner is a strategic executive, in the finest sense of those words.



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I don't think there are many topics I have ever received 3 emails from him on—I mean this gentleman can chart a course for us in 5 handwritten words, and expects us to execute. Three emails in 12 hours and setting a meeting for Monday ~~on~~ ^{“on} ~~the~~ ^{“the} ~~board~~ ^{“board”}? Really. I admit I was a little skeptical that this needed to be the issue of our day on Monday.

Well...I was wrong. 100,000 ~~on~~ ^{“on} ~~the~~ ^{“the} ~~board~~ ^{“board”} seizures later, a holiday season worth of stories and concern, and a number of kids and households protected, and you can see how he skated to where the puck was going to be!

He continues to do that, whether's moving quickly to do CBP part on AD/CVD enforcement as the global overcapacity in steel creates market distortion, understanding the need to proceed carefully with new initiatives on exports, or pushing us to the finish line on ACE. And it is great to see the benefits of his leadership.



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The only downside I can think of, and it's just personally—not organizational—is that I haven't had the opportunity to engage with you directly as much as I would like to, but I want you to know, in there, tracking closely, and driving forward on our shared trade priorities with the best team in government—Executive Assistant Commissioner Smith, Executive Assistant Commissioner Owen, our incomparable (b) (6), (b) (7)(C) and their teams, and not least (b) (6), (b) (7)(C) in our front office

(b) (6) insisted that I tell you that it may be behind the scenes, or at least inside the Beltway, but I have the privilege of helping drive the execution of a number of the key issues you are discussing at this symposium, including

- * Chairing our Quarterly International Trade Committee where that team I just mentioned gets together with key staff to talk about how we turn the Commission's vision and our shared priorities into action with strategies and timelines.



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- * Chairing the ACE Executive Steering Committee, where we work through complex IT, acquisition and budget, policy, schedule, and interagency coordination issues consistently, every month, through the successes and challenges that we have had
- * Hosting Border Interagency Executive Councils where we are wielding the power of the federal government departments and agencies with border equities working together
- * Pressing forward at Deputies Committee Meetings on Single Window at the White House and
- * Overseeing our Planning and budgeting processes to help ensure we make the key Investment decisions to support enhanced capabilities and services for our trade mission among other things.



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So we are staying closely engaged and working to maintain relationships with many of you to solve emerging issues or just get a sense of challenges ahead. And I look forward to more.

So I'm fired up to have the chance to be the one with you today!

Finishing What We Have Started

Okay, finishing what we started. Since our last West Coast Trade Symposium, we have made significant progress in modernizing our trade enterprise, expanding our zone of security, and transforming our business processes.

I'd like to highlight several of those initiatives today, two where we are delivering and close to achieving our shared objectives, several where we have started to, and two other where we need to get moving together aided, I hope, by the discussions here this week.



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Modernizing the Enterprise: ACE and Single Window

Working closely with the trade community, our Advisory Committee, and our Partner Government Agencies, we are on track to meet the Administration's year-end 2016 goal for full implementation of the Single Window.

CBP has delivered two-thirds of Automated Commercial Environment—or ACE—functionality; and through close collaboration with our government partners, all key Single Window capabilities.

Importer and filer use of ACE has increased dramatically just over the last few months:

- * Cargo release filings in ACE have increased from approximately 25 percent of all in January to over 80 percent today;
 - o Let's pause on that one for a moment. 80 percent of a \$2 and a half Trillion Dollar economy is filing in ACE.



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* And approximately 98 percent virtually all--of entry summary filings are now in ACE.

For many of you, the development of ACE has spanned more than a decade, and as we put those filing numbers into perspective, I want to acknowledge how far we have come, and how we got here.

Credit for is due to a broad array of partners: the experts in customs processes and policies, software providers, IT and systems professionals; and the brokers, importers, and exporters who have devoted countless hours and made major investments to test and refine the system.

And you have worked with a tremendously dedicated team within CBP and across the U.S. government; a team that has been relentlessly focused on delivering an efficient, reliable system that is revolutionizing the way the U.S. government manages the flow of cargo across its borders.



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Many of you are here today, I want to acknowledge our partners who were early adopters and have worked hand-in-hand with us to guide CBP, PGAs, and industry through this transition.

Our measured approach to implementation of ACE and the Single Window reflects input from you, and has helped build filing in a responsible way.

When we needed to set deadlines together, we did, when the trade or other partners needed us to move them, we listened, but together we have collectively held our feet to the fire and we are all doing our part.

We must continue to spread the message to file in ACE, and CBP and our partner agencies are conducting extensive outreach to ensure that filers are ready.



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So thank you to all of you here, from the trade to your vendors to our interagency partners, and to my team for what you are doing. Working together, we will meet the President's challenge.

Modernizing the Enterprise: Centers of Excellence and Expertise

We have also made great progress with our Centers of Excellence and Expertise (CEEs) this year.

As of March, all 10 Centers are now fully operational. So what does this mean for you? These remotely-managed Centers bring CBP in line with modern business practices, focusing on industry-specific issues and providing support tailored for that industry or commodity.

This does three things:

- 1) Increases consistency across Ports of Entry;
- 2) Speeds up the resolution of compliance issues; and
- 3) Enhances CBPs understanding of key industry practices.



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All of this lowers costs for you, and centralizes and simplifies operational decision making for us.

- * *Example* The Petroleum, Natural Gas & Minerals CEE has realized an 80 percent reduction in the number of protests, with a 65 percent reduction in processing time.
- * *Example* The Apparel, Footwear & Textiles CEE has cut detention times in half for partner accounts.

The Center's deeper industry knowledge also enhances our enforcement capabilities, as experts in the CEEs work regularly with industry to better understand specific commodities, and identify new and complex methods of evasion and fraud.

Now that we've talked a bit about our major initiatives to move data and share expertise, let's talk a bit about some of our efforts, which have begun to achieve significant results in moving cargo at the borders.



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Business Transformation: Announcing Truck User Fee Automation

And these major, international, enterprise-level innovations are bolstered by other improvements ~~we~~ implementing that modernize and streamline our operations.

For example, approximately 10 percent of all commercial trucks arriving at U.S. borders make manual fee payments at the inspection.

This process requires CBP officers to collecting the \$13 user fee in primary, taking up valuable processing time.

This has been an issue for years, which is why I am proud to announce that CBP is rolling out a pilot that allows commercial trucks to prepay the single-crossing user fee via web or mobile device, prior to arrival at a port. The pilot will begin the on Junend 2nd at the El Paso, Detroit, and Buffalo ports of entry and last for approximately one year.



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Allowing trucks to pay this fee online, prior to arriving at the border reduces fuel consumption and wait times. It also removes the payment process from primary inspection, enabling CBP officers to process vehicles faster, and reducing heavy congestion.

Business Transformation: RPM– Revised Operational Settings

And user fees are not the only area in which ~~we~~ making tangible process improvements. We have revised the operational settings on our Radiation Portal Monitors (RPMs) to reduce the number of false alarms, an adjustment that has had a significant impact on our operations.

For example, the Port of Los Angeles alone saw 24 officers freed up and about 60,000 fewer RPM alarms per year.

Nationwide, CBP has seen a decrease of more than 200,000 alarms annually, saving more than 50,000 hours in adjudication time for both CBP and importers ~~without~~ reducing security or our ability to identify threats.



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We've also leveraged our public-private partnership key to our trade transformation efforts— to make some of these changes.

Working with the Buffalo and Fort Erie Peace Bridge authority, CBP replaced 18 RPMs in primary inspection lanes, reducing radiation “nuisance alarm” rates by more than 50 percent, significantly decreasing delays.

Today, CBP has deployed these revised settings to RPMs at the top 26 seaports, 15 critical land border crossings, and the mobile RPM fleet.

Cargo Pre-Inspection

Under the cargo pre-inspection pilot program, certain cargo is inspected in Mexico prior to crossing the border into the United States in an effort to improve the flow of trade as well as reduce border wait times and transaction costs.



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With our Mexican counterparts, CBP is implementing cargo pre-inspection at two locations along the Southwest border:

- * Mesa de Otay, Baja California, Mexico: just across from the Otay Mesa POE in California, this pilot began last month; and
- * FOXCONN, Chihuahua, Mexico: (near Santa Teresa, New Mexico), projected for mid-2016.

And we've implemented a similar pilot for Mexico-bound cargo at the Laredo International Airport in Texas, pre-inspecting air cargo from the automotive, electronics, and aerospace industries destined to eight Mexican airports;

Pushing Borders Out: Trusted Trader Pilot

CBP is also integrating supply chain security and trade compliance by unifying C-TPAT and the Importer Self-Assessment programs under our Trusted Trader Pilot.



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This approach allows CBP to provide additional incentives to participating low-risk partners, while benefiting from the added efficiencies of managing supply chain and trade compliance within one partnership program.

Fifty-six importers volunteered to be involved in the pilot, and CBP has started testing the program with the companies selected for participation.

Embracing New Challenges

But we are not resting just driving ongoing initiatives forward, we are also tackling new challenges and taking advantage of new opportunities.

Trade Facilitation and Trade Enforcement Act /“Customs Bill”

Nowhere is that more apparent than our efforts to implement the Trade Facilitation and Trade Enforcement Act or, as we like to call it, the Customs Bill.



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I know many of you worked for years to get this important legislation across the line, and it's hard to believe we are approaching 100 days since it was signed.

In the Customs Bill, Congress and the Administration have sent a clear signal that economic competitiveness and enforcement of our trade laws are critical priorities.

It is also a major milestone for CBP, as it is the agency's first authorization since its creation within the Department of Homeland Security in 2003.

We actually exist, and we are actually called CBP now! Thank you!

The Act also supports CBP's efforts to ensure a fair and competitive trade environment, and bolsters CBP enforcement of intellectual property rights, antidumping/countervailing duties, and forced labor-derived goods.



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The new law includes a number of key provisions:

- * Supports CBP's business transformation:
 - o Authorizes continued funding for operations and maintenance of ACE.
 - o Formally recognizes the Centers of Excellence and Expertise.
- * Increases De Minimis values (not a De Minimis issue for many of you): Effective March 10, the law increased the de minimis value for an imported shipment from \$200 to \$800. This was long overdue change will save you money, exempting low-value shipments from certain duties and taxes. CBP implemented this provision, and will be working closely with government partners and the trade to monitor impacts and benefits
- * Modernizes Drawback: The law simplifies and modernizes the drawback process for duty refunds making drawback more workable for CBP while increasing efficiencies for trade stakeholders;



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- * Tools to Better Enforce IPR and AD/CVD: Provides CBP with new tools to better enforce intellectual property rights and antidumping/countervailing duty laws, including:
 - o Enhanced targeting and increased bonding for high risk imports;
 - o Process for swift and thorough investigation of allegations of AD/CVD evasion; and
 - o Mechanisms to supplement IPR enforcement, collaboration with IP rights holders, targeting through the IPR Center, and international partnerships to stop counterfeiters.
- * Eliminates Consumptive Demand Exception: The new law also eliminates the “consumptive demand” exemption, meaning that goods made with child, convict, or forced labor are no longer allowed into the country just to meet U.S. demand.

This law clearly recognizes the role CBP plays in safeguarding the American economy, and as the official name of the legislation clearly underscores, facilitation and enforcement go hand in hand in that effort.



Trade Enforcement

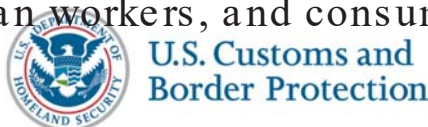
The Customs Bill brings new emphasis and focus to our Trade Enforcement Efforts. I want to highlight a few key areas where our enforcement of U.S. laws helps ensure that U.S. manufacturers and American workers compete on a level, global playing field.

While CBP's trade enforcement mission is a broad one, I will focus on three priority areas:

- * Infringement on Intellectual Property Rights (IPR);
- * Antidumping/Countervailing duties; and
- * Importation of goods produced with forced, child, or convict labor.

Trade Enforcement: IPR

IPR violations threaten the competitiveness of U.S. businesses, the livelihood of American workers, and consumer safety.



Trade in counterfeit goods also helps fund transnational criminal enterprises.

CBP's targeting of high risk shipments, joint operations with our colleagues at ICE, and ongoing communication with IP rights holders, has yielded significant results.

Just last month, CBP and ICE reported that our agencies seized nearly 29,000 shipments of products containing IPR infringements in FY 2015, a 25% increase over the prior year.

These seized products would have been worth over \$1.35 billion had they made it to the U.S. market, and could have posed major threats to consumer health and safety, and brand integrity.

CBP is also partnering with the private sector to allow IPR holders to assist CBP in identifying authentic and low-risk shipments.



For example, in partnership with the Express Association of America and its members, CBP developed a new administrative process allowing for the voluntary abandonment of suspect counterfeit goods.

The program has resulted in more than 2,800 voluntary abandonments, saving the U.S. government an estimated \$2.2 million in seizure costs.

Trade Enforcement: AD/CVD

CBP has a core statutory responsibility to detect and deter the circumvention of AD/CVD laws and collect all revenue owed to the U.S. government generated by these imports.

We are working to enhance AD/CVD detection and enforcement protocols, improving our targeting and analysis, and employing all available authorities to disrupt increasingly complex evasion.



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The scope and importance of this mission are immense, which is why, just a few weeks ago, Commissioner Kerlikowske announced the creation of a Trade Enforcement Task Force while speaking the Association of Steel Manufacturers

The Task Force will focus on AD/CVD evasion, along with other core priorities such as the interdiction of products manufactured using forced, convict, or child labor.

It will strengthen CBP's ability to detect high-risk activity, target illicit trade networks, and focus expertise from throughout CBP and our interagency partners to safeguard a fair and competitive trade environment.

And this team bolsters CBP's recent efforts to improve AD/CVD enforcement, which include use of single transaction bonds and entry requirements on higher risk imports to identify and deter evasion.



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Additionally, in 2015, CBP created an AD/CVD Collections team within CBP to help resolve outstanding debts.

This Collections team is increasing CBP technical expertise around AD/CVD collections, and more proactively identifying potential duty evasion.

Trade Enforcement: Forced Labor Goods

On forced labor, CBP is recommitting resources to vigorously enforce the prohibition on goods manufactured with child, convict, or forced labor.

In addition to dedicated resources within the Trade Enforcement Task Force, the Commissioner recently signed Withhold Release Orders for certain shipments of soda ash and potash products made with convict and forced labor.



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We expect to issue more withhold release orders as well.

It is crucial that companies conduct their due diligence in examining supply chains to understand product sourcing and the labor used to generate their products.

CBP works with non-governmental organizations, industry, and importers to clarify the process for petitions, appeals, and our standards for compliance.

As you dedicate resources to ensuring the integrity of your supply chains, and your business processes, CBP commits to providing clear guidance and being responsive to your questions.

Foundation for the Future

I want to leave you with a note on continuity



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At this point in an election cycle—especially this, shall we say,
“Unusually interesting” one—it is a natural concern to be seeking some
continuity.

Especially when we know your supply chains thrive on predictability
and certainty.

Well I think we are in a good position, and together have built a very
strong foundation for our future partnership between CBP and the trade
community—structurally, statutorily, and, critically, culturally.

Customs Bill. TFTEA. We exist! We have an authorizing statute,
recognizing our organization, our name, and our structure.

Establishing in law key mechanisms and priorities.



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Realignment. Recognized in the Customs Bill, at CBP request, the EAC for TRADE as one of our four operational offices. 2 of our 4 operational offices, constitutionally focused on trade and facilitating supply chains.

Evolution of COAC. In addition to being rechristened in the Customs Bill, the last 3 sessions of COAC have really been incredibly productive.

Moved from a frank exchange of views with an audience (we sometimes still get that, of course), to a dynamic collaboration between CBP, and now ICE, along with leaders from across the international trade community, to solve the toughest emerging problems.

Each term, due in large part to the dedication of our trade community members and their time, energy, and ideas.

This manner of work, and spirit of partnership, provides a great foundation for the future.



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Establishment of BIEC.

Mindset of collaboration—dare I say co-creation. Starting point
every new endeavor is engaging our trusted partners to get their ideas on
how best to do something.

And lastly, still on the culture side, and invaluable ~~we~~, have
developed strong personal relationships—real bonds built from shared
experiences in the trenches, mutual understanding of perspectives, and
common goals that run several layers deep—now, at HQ and in the field,
between trade community leaders and CBP executives and managers
front-line experts.

I know we will only deepen them this week.

All of these things will serve us well as we engage the challenges of the
coming months and years.



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So let's tackle them together in the panels here, the breakout sessions, and those insightful conversations in the hallway.

I want to thank you all for participating in this two day Symposium. The opportunity to have CBP leadership sit down with you for two days, to leverage your insight and expertise, is essential.

The Trade Symposium is our opportunity to envision and build the next generation of CBP and trade partnership.

We look forward to continued collaboration and increasing success.



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Remarks by Deputy Commissioner Kevin K. McAleenan
Name of Event: American Ass'n. of Exporters & Importers (AAEI)
Location: Crystal Gateway Marriott, Arlington, VA
Date: June 6, 2016- 12 noon- 1:30 p.m.
Introduced by: (b) (6)
Yes

Press: Open
Run Time: 15 mins.
Audience: ~500
Format: Podium
Q&A:

Luncheon Keynote Trade (R)evolution

Introduction

Thank you (b) (6) for that kind introduction.



Keynote sponsor (b) (6)

It's great to be back here with you, nearly two years after my last opportunity to speak with all of you together in Minneapolis. AAEI has always been a very strong partner to CBP, and I want to acknowledge a few of the key people here today:

[Acknowledge VIPs and CBP leadership in audience.]

Since the last time we spoke, the trade landscape ~~changed~~
dramatically. It's been ~~a~~ evolution, or in some ways, as your
conference title notes, a revolution marked by accelerated globalization
and growth in trade, the development and application of new
technologies, and more recently— the enactment of new legislation
that bolsters our efforts to enforce U.S. trade laws and level the playing
field.

On the way in this morning in our new, even worse Washington DC
commute, story after story on the radio covered the work we do together.
How are the U.S. and China addressing the global overcapacity in steel?
How can President Obama and Prime Minister ~~Modi~~ deepen trade ties
with India?

[By the way we signed an MOU toward implementing Global Entry with
India last week. I hope you are all members by the way if you are
on the fence, think you may not travel enough internationally, I should
note that Global Entry  also gets you TSA Check 

As the trade landscape has continued to change rapidly, CBP has been keeping pace—by working to transform and streamline our operations and by partnering closely with you to innovate so we are ready for what's next.

Our mission—to protect our borders and our national security and facilitate the flow of lawful goods and people in and out of the country—continues to confront increasing complexity and challenge in the face of rising trade volumes and increasing and diverse threats to the security of our global supply chains.

We are at record numbers in all areas, and in all modes. On a typical day, CBP screens more than 70,000 truck, rail, and sea cargo containers and hundreds of thousands of express consignment shipments and mail parcels. In Fiscal Year 2015 alone, CBP processed \$2.4 trillion in imports—and more than \$1.5 trillion worth of U.S. exports—that's



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nearly \$4.5 Trillion in international trade, largely represented by the folks in the room. Those numbers will only grow this year.

And global organized crime continues to seek new ways to exploit the supply chain—whether it's to smuggle contraband, diversify funding sources with trade based money laundering, or by peddling fraudulent goods.

Since we last met, in your insights and your input, CBP has made a great deal of progress, and today I'd like to provide you with several updates on some of the key changes we've made since we last spoke, and how we are evolving to meet the demands of an increasingly complex global supply chain.

Streamlining the Export/Import Process

Let's start with ACE and the Single Window.



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In February 2014, the President issued an Executive Order titled “Streamlining the Export/Import Process for American Businesses.” Some of you here, may have had a role in ensuring this set of issues, had Presidential attention, and the results have been impressive. The Executive Order recognized the importance of a secure and efficient flow of international cargo to U.S. economic growth, jobs, and national security and mandated that the U.S. government reduce supply chain barriers by improving technologies, policies, and other controls governing the movement of goods across our national borders. The cornerstone of that Order was the successful implementation of the International Trade Data System—the U.S. Single Window—of which ACE is the backbone.

Major Progress Single Window/ACE

Today, I am proud to report that we are on track to meet the President’s year-end 2016 goal for full implementation of the Single Window.

I know you discussed ACE implementation and port-level training earlier



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this morning, but I want to highlight briefly, what we've accomplished since I spoke with you two years ago

CBP has continued to deliver critical ACE functionality, and through close collaboration with our government partners, key Single Window capabilities. By automating the collection and review of import/export information for 47 government agencies, the Single Window provides earlier visibility into shipment data, expediting import/export assessments at the border, enabling near "real-time" decision making

Importer and filer use of ACE has increased dramatically over just the last few months:

- * **Cargo release filings in ACE have increased from approximately 25% in January to over 86% today;**
- * **And approximately 98% of entry summary filings are now in ACE.**



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We worked with you to get here. When you suggested that we needed clear deadlines, we set them. When we heard from trade partners that we needed to adjust our schedule to keep everyone on track, we were flexible. Our measured approach to implementation of ACE and the Single Window reflects input from you, and has helped build filing in a responsible way. As our Partner Government Agencies continue and wrap up their pilots this summer, we must continue sharing the message to file in ACE.

For many of you, the development of ACE has spanned more than a decade and as we near the December 2016 deadline, credit for this impressive progress is due to a broad array of partners: the experts in customs processes and policies; IT and systems professionals; and the importers and exporters who have devoted countless hours and made major investments to test and refine the system.



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Exports

Our progress over the last two years in the import environment is mirrored by some major developments for exports. When we last met, I emphasized how much we had learned from industry about export processes and the need to undertake improvements in our export processing with your business practices in mind. We talked about our plans to enhance automation of exports and to ensure that we worked together to streamline our process to allow you to get U.S. manufactured goods to your international customers as quickly and securely as possible.

Toward those ends, so important for the U.S. economy, CBP started the transition of the Automated Export System, AES, and AES Direct to ACE last year. Today, we have transferred all accounts into the new system. This transition provides important benefits:

- ACE generates an electronic proof of export, which you did not have before.



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- It also provides access to export reports, a feature that was not previously available. As many companies run 1000+ reports a week, data and reporting through ACE gets you the information you need, with data looking back over the last five years.

We are also automating export processing for our Partner Government Agencies critical to the efficient movement of outbound cargo. This includes: the ATF, the Agricultural Marketing Service, DEA, EPA, Fish and Wildlife Service and others. Within the next two months you will be able to identify which agencies regulate the commodities you are exporting by the designated Harmonized Tariff Schedule number, and provide their required information electronically.

Exporters have been leaders in automation. The Trade Act of 2002 requires electronic submission of carrier manifest information for all modes of transportation, and last year CBP announced automated export manifest pilots for the submission of export manifest data for air, ocean and rail carriers.



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These pilots are underway and ~~we~~ seeing the benefits already we now know the exact departure port for your shipments allowing us to more accurately assess risk and reduce delays

And in an effort to better manage risk in the export environment, CBP is working closely with industry to lay out the future of Option 4, known as Post Departure Filing. I know there has been a lot of concern from industry about these future changes. I promised you in Minneapolis that we would proceed with caution, and we have done so. Together with Census and BIS, ~~we~~ working closely with a COAC working group to identify the right approach to advance information.

We are currently exploring several options, including

- Collecting information through the electronic export manifest
- Applying a progressive filing approach, or
- Implementing a trusted trader strategy in the export environment.



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We still have work to do, but I would like to ensure that both Commissioner Kerlikowske and I are paying close attention to this, and we believe that thanks to the efforts of COAC members (b) (6)

(b) (6) we are close to finding a workable solution

Centers of Excellence and Expertise

We have also made major progress with our Centers of Excellence and Expertise (CEEs) this year. As of March, **all 10 Centers are now fully operational**. So what does this mean for you?

These remotely-managed Centers bring CBP in line with modern business practices, focusing on industry-specific issues and providing support tailored for that industry or commodity. This does three things

- The Centers increase processing consistency across Ports of Entry;
- they speed up the resolution of compliance issues; and
- they enhance CBP's understanding of key industry practices.



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All of this is designed to lower costs for you, and to centralize and enhance operational decision making for us. And we are seeing results:

- * For example, the **Petroleum, Natural Gas & Minerals** CEE has seen an **80 percent** reduction in the number of protests, with a **5 percent** reduction in processing time.
- * And the **Apparel, Footwear & Textiles** CEE has cut detention times in **half** for partner accounts.

While you'll be hearing more about the Centers from one of CBP experts tomorrow, (b) (6) from the Pharmaceuticals Center, I would like to preview for you, what's next for the CEEs.

With all 10 Centers up and running, we are extending true account-based processing to all importers. We are ensuring that all importers have the points of contact within their correct Center, and we will leverage those relationships to drive consistency of operations at all ports.



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CBP also continues to build out Center staffing and capabilities, adding entry specialists and other key personnel to ensure the Centers are fully equipped to successfully manage accounts and to get you the answers you need. And based on the specific recommendations we received from COAC — CBP's Advisory Committee on Commercial Operations — we are building out communications capabilities at the Centers and focusing on ensuring that our strong, port-level relationships with brokers and importers continue under the Centers.

Cargo Pre-Inspection

I also want to highlight the recent launch of key programs facilitating cargo flow between the United States and Mexico. These cargo pre-inspection pilots allow us to work hand in hand with our international counterparts to expedite and secure inbound and outbound cargo before it reaches its destination — an important new partnership model.



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Through these pilots, CBP and Mexican officers inspect cargo in Mexico prior to crossing the border into the United States. This improves the flow of trade and reduces border wait times and transaction costs.

With our Mexican counterparts, CBP is implementing cargo pre-inspection at two locations along the Southwest border:

- Just this past April, we implemented the pilot in April Mesa de Olay, Baja California, Mexico; and
- We plan to roll out another pilot, FOXCONN, in Chihuahua, Mexico: (near Santa Teresa, New Mexico) the coming months

And we've implemented a similar pilot for Mexico-bound cargo at the Laredo International Airport in Texas, pre-inspecting air cargo from the automotive, electronics, and aerospace industries in eight Mexican airports.

Trade Facilitation and Trade Enforcement Act/ "Customs Bill"



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And as we continue to evolve and enhance our procedures, Congress and the Administration sent a clear signal that economic competitiveness and enforcement of our trade laws are among the country's highest priorities through the recent passage and signing of the Trade Facilitation and Trade Enforcement Act in February of this year. The Act is also a major milestone for CBP, as it constitutes the agency's first authorization since its creation within the Department of Homeland Security in 2003.

The Act supports CBP's efforts to ensure a fair and competitive trade environment, and bolsters CBP enforcement of intellectual property rights, antidumping/countervailing duties, and forced labor-derived goods.

The new law includes a number of key provisions that

- * Support CBP's business transformation:
 - o Authorizing continued funding for operations and maintenance of ACE; and



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- Formally recognizing the Centers of Excellence and Expertise.
- * **Increases De Minimis:** Effective March 10, the law increased the de minimis value for an imported shipment from \$200 to \$800. This was a long overdue change that will save you money, exempting low-value shipments from certain duties and taxes.
- * **Modernizes Drawback:** The law simplifies and modernizes the drawback process for duty refunds making drawback more workable for CBP while increasing efficiencies for trade stakeholders; you'll discuss this in more detail during tomorrow's panel on drawback.
- * **Tools to Better Enforce IPR and AD/CVD:** Provides CBP with new tools to better enforce intellectual property rights and antidumping/countervailing duty laws, including:
 - Enhanced targeting and increased bonding for high risk imports;
 - Process for swift and thorough investigation of allegations of AD/CVD evasion; and



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- Mechanisms to supplement IPR enforcement, collaboration with IP rights holders, targeting through the IPR Center, and international partnerships to stop counterfeiters.
- * Eliminates Consumptive Demand Exception: The new law also eliminates the “consumptive demand” exemption, meaning that goods made with child, convict, or forced labor are no longer allowed into the country just to meet U.S. demand.

This law clearly recognizes the role CBP plays in safeguarding the American economy, and we understand our responsibility clearly communicate our standards, priorities, and processes for enforcement of our nation's trade laws.

Continuity, Transition, and the Future

Before I close, I would like to offer a few words about the agency's leadership into the future.



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Commissioner Kerlikowske, has been a true champion when it comes to trade facilitation and trade enforcement. Under his leadership, in the past 2 and a quarter years, CBP has made tremendous strides in every aspect of the agency's trade mission.

He's earned CBP a valuable seat at the table with the interagency and White House Trade leadership, with the National Economic Council, and the U.S. Trade Representative, Department of Commerce and others. And he's enhanced relationships on Capitol Hill with leading Members and staff.

Commissioner Kerlikowske has placed CBP in a key position within the U.S. government, and has cultivated strong relationships with his international, and private sector colleagues. And we are committed to maintaining that momentum during the transition. CBP is fortunate for the depth of its trade expertise.

➤ Brenda Smith, Executive Assistant Commissioner for International Trade,



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- Todd Owen, EAC for Field Operations
- Eugene Schied, EAC for Administration; and
- Phil Landfried, Acting AC for Information and Technology.

And I am profoundly grateful to them for their guidance, their energy and their passion for CBP trade mission.

We have also developed close bonds at multiple levels of leadership, from the top executives I mentioned through our directors, and leaders in the field. More than that, we have adopted, comprehensively, an approach to working together, to tackling each new initiative in partnership that is clearly a better way to do business and how we will continue to do business in the future.

Conclusion

I would like to close on that note by underscoring CBP's commitment to partnership with all of you – our federal, international, and private sector partners. As I look at the tremendous progress we have made on



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the President's Executive Order, and on the wide array of trade facilitation and enforcement priorities that are core to CBP's mission, I recognize it would not be possible without the strong partnership and advocacy of AAEI and its members. Thank you for hosting me here today. Given that my executive team is here with me for support, I'm happy to take a few questions.

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Remarks by Deputy Commissioner Kevin K. McAleenan
Human Trafficking & Transportation Stakeholder Engagement
Location: DOT HQ – 1200 New Jersey Ave S.E., Wash DC
Date: July 19, 2016– 9:30 a.m.
Introduced by: (b) (6) DOT Dep AsstSec, Public Engagement

Press: TBD
Run Time: 6-7 mins.
Audience: ~ 50
Format: Podium
Q&A: No

Welcome Remarks

Introduction

- * Thank you (b) (6)
- * I'm pleased to join Deputy Secretary Mendez Underscretary Deyo here this morning and I appreciate the opportunity to talk about human trafficking from CBP's perspective.
- * President Barack Obama calls human trafficking an outrage "which must be called by its true name modern slavery".¹
- * Nearly every country is affected whether as a country of origin, of transit, or destination of victims.
- * Within the Department of Homeland Security, our sister agency ICE, or Immigration and Customs Enforcement, takes the lead on investigating human trafficking.

¹ <http://www.state.gov/j/tip/>

- * At CBP, our officers at the ports of entry and our Border Patrol and Air and Marine agents between those ports of entry are on the front lines — processing international travelers arriving to the United States and apprehending individuals trying to illegally cross our borders.

CBP Overview

- * **On a typical day**, CBP processes more than **one million people** and screens more than **70,000 truck, rail, and sea cargo containers**.
- * **So we're on the frontline** to recognize human trafficking at **328** land, air, and sea ports of entry and **17,500 miles** of border.
- * Of the **one million** travelers who enter the United States every day — nearly **30 percent** or more than **100 million per year** — arrive on a commercial flight.
- * On a daily basis, CBP combats:
 - transnational criminal organizations
 - drug smugglers and traffickers of every stripe
 - large-scale counterintelligence operations and



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- all kinds of fraud involving customs and immigration.
- * These are typically huge operations sophisticated networks that often take years to disrupt and dismantle.
- * **Human trafficking is no different – it is an organized and highly profitable criminal enterprise .**
- * And we must apply all of our resources and skills to combatting this terrible crime.
- * We work closely with our DHS counterparts ICE, TSA, USCIS, and the U.S. Coast Guard to battle human trafficking through **prevention, protection, and prosecution**

The Blue Lightning Initiative

- * Undersecretary Deyo has spoken of the Department of Homeland Security's Blue Campaign and so I'd like to explain how CBP's efforts – the **Blue Lightning Initiative (BLI)** – fit into that.
- * CBP is uniquely positioned at the border to recognize and intercept human traffickers and, hopefully, rescue their victims as they travel through our ports of entry and across our borders.



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- * **CBP launched BLI in 2013** to provide airlines and their employees a voluntary mechanism to identify potential human trafficking victims and notify federal authorities.
- * BLI brings together DHS components like ICE and the Federal Air Marshals, and it also involves
 - the Human Smuggling and Trafficking Center
 - the Federal Aviation Administration under the Department of Transportation;
 - non-governmental organizations and
 - the private sector.
- * **The core of the Blue Lightning Initiative is our work with the airline industry .**
- * From ticket agents who handle travel documents and ask routine questions of travelers as part of the boarding process to flight crews who have extended time with passengers, airline employees are skilled observers.



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- * CBP helps train airline employees what to look for and how to immediately report their suspicions to the proper authorities for further investigation.
- * CBP's **National Targeting Center** (NTC) serves an active role on the Blue Campaign Law Enforcement Working Group which provides information on training and outreach, how traffickers operate, and victim assistance to help keep the public informed.
- * In addition, the NTC exchanges intelligence with foreign partners, as well as federal, state and local partners.
- * This helps identify smugglers, routes and trends, and assists in the disruption and dismantling of alien smuggling/human trafficking activities and those smuggling organizations operating in Canada, the U.S. and abroad.

Training

- * As part of basic training, CBP officers and agents are taught
 - the differences between human smuggling and human trafficking;
 - how to detect human trafficking and



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➤ what to do upon an encounter.

- * Incumbent CBP officers and agents must complete the on-line Human Trafficking Awareness course annually
- * Furthermore, CBP has **worked with the NGO community** to develop a new video-based course "Unaccompanied Alien Children: Best Practices" to provide officers and agents with enhanced instruction on interacting with unaccompanied children.

CBP Preclearance

- * I want to briefly mention our preclearance operations, too.
- * CBP officers are not only here in the United States, they are also stationed in other countries, and they are also trained to spot human trafficking victims.
- * Through CBP Preclearance operations, the same immigration, customs, and agriculture inspections of international air passengers performed on arrival in the United States are instead completed before departure at foreign airports



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- * This allows the United States and our international partners to jointly identify and address threats at the earliest possible point, before they arrive in the United States.
- * We're expanding preclearance operations, allowing us to expand our focus on human trafficking beyond our traditional borders.

Heightened Awareness

- * Finally, CBP has developed and uses numerous tools for screening incoming travelers.
- * The same risk-analysis techniques used to prevent the entry of terrorists and other criminals can be applied to the interception of human traffickers.
- * Including the opportunity for us to engage travelers on their purpose for traveling here.
- * In addition to the biographic and biometric system queries performed, each traveler is interviewed by a CBP officer



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- * That's a key part of our frontline effort to combat human trafficking, because **the interview determines the purpose** of their travel.

Conclusion

- * I'd like to finish by emphasizing once again how important our collaboration and partnerships ~~are~~ with all of you.
- * As you know, it takes everyone federal, state, and local governments, private sector businesses, nonprofit organizations, service providers, faith-based groups, ~~etc.~~ to work together to combat human trafficking.
- * This is a critically important discussion, and I want to thank you for supporting these efforts.

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Remarks by Deputy Commissioner Kevin K. McAleenan

Press: Closed

Name of Event: Lunch with the American Chamber of Commerce

Run Time: 15 minutes

Location: 1904 Bank of America Tower, 12 Harcourt Rd.,
Central, Hong Kong

Audience: TBD

Date: July 27, 2016

Format:

Introduced by: (b) (6), y, Trade & Investment Committee Chair **Q&A:** Yes

CBP's International Trade Facilitation and Enforcement Mission

Introduction

Thank you (b) (6) for the kind introduction and for welcoming me here in Hong Kong. And thank you the **American Chamber** for hosting this event and for the leadership role the AmCham takes in Hong Kong and in this region that's so critical to global trade.

I want to acknowledge **Acting Consul General Thomas Hodge** for his hospitality and assistance to me and my staff.

And I'd also like to recognize (b) (6), (b) (7)(C) **CBP Attaché** here in Hong Kong, for her role in expanding CBP reach in the region and the impact we have on American and global businesses.

And joining me from CBP headquarters, I want to recognize our Executive Assistant Commissioner for Trade, **Brenda Smith**.

CBP's Mission

CBP's primary mission—to safeguard our borders and U.S. national security while facilitating the flow of lawful goods and people—is becoming increasingly complex with the growth in global trade and travel.

On a typical day, CBP screens more than 2,000 truck, rail, and sea cargo containers, and hundreds of thousands of express consignment shipments and mail parcels. In Fiscal Year 2015 alone, CBP processed \$2.4 trillion in imports and more than \$1.5 trillion worth of U.S. exports.

This occurs alongside our clearance of more than 1 million international passengers arriving into the U.S. daily. And anticipated growth in international travel to and from the U.S. is adding to that responsibility.



CBP's Trade Mission: Innovation and Enforcement

With just-in-time shipments and e-commerce becoming the norm, CBP must modernize our operations not just to keep cargo moving but to more effectively mitigate security and compliance risks. Transnational criminal organizations continue to seek new ways to exploit the supply chain—whether it's to smuggle contraband, launder money, or peddle fraudulent goods.

But this mission with its complex challenges does not start or end at our borders. We'll talk more about some of these issues today, but I want to highlight just a few things that impact how we interact with you, and how we're working with our international partners to facilitate and secure global cargo movement.

Single Window

We are on track to meet the Administration's year-end 2016 goal for full implementation of the U.S. Single Window, the consolidated system for



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processing cargo for the entire U.S. government. CBP's Automated Commercial Environment or ACE— is the backbone of that effort. The development and implementation of ACE progressed over a decade and credit is due to a broad array of partners in the trade community who have devoted countless hours and made major investments to test and refine the system.

The U.S. Single Window is a model for custom information on the global stage. We are committed to sharing the lessons we learned with our partners here in Hong Kong, who are, themselves, seeking to develop a modern Single Window system. Together with the World Customs Organization, U.S. progress on the Single Window is driving modernization of customs processing in a way that saves time and money for trade and governments alike.

Exports



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We have a keen understanding of CBP's role in facilitating U.S. exports to Asia and here in Hong Kong. In FY 2015, CBP processed more than \$38 billion of U.S. exports to Hong Kong, and that volume requires seamless processing to ensure those goods arrive on time and are safe and secure when they do. We have learned a lot from industry about improving export processes, and automation plays a significant role

To this end, CBP started the transition of the Automated Export System into ACE last year. This provides important benefits like electronic proof of export and access to key reports, getting U.S. exporters information that can help optimize your supply chain processes.

And just last year, CBP announced pilots for the electronic submission of export manifest data for air, ocean and rail carriers. We're already seeing the benefits, and we now know the exact departure port for your shipments, allowing us to more accurately assess risk and reduce delays.

Container Security Initiative  **U.S. Customs and Border Protection**

We are also focused on securing cargo earlier in the supply chain, and before it reaches American shores. I know most of you are familiar with the Container Security Initiative, or CSI, started in 2002. CSI uses intelligence and automated data to identify high-risk cargo before it's loaded onto U.S.-bound vessels. Hong Kong was one of our earliest CSI ports, with our officers starting this work in mid-2003.

The program has grown significantly since then, and CBP now has 60 operational CSI ports, in 35 countries, on six continents. These CSI ports prescreen more than 80 percent of all maritime containerized cargo imported into the United States, saving time and money, and extending our zone of security around the globe.

Trade Enforcement

All of CBP's work to efficiently and securely move cargo across our borders goes hand in hand with our trade enforcement mission. Our enforcement of U.S. trade laws helps ensure that U.S. manufacturers and



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American workers compete on a level, global playing field. While CBP's trade enforcement mission is a broad one, I want to highlight our work in one key area: protection of Intellectual Property Rights (IPR).

Trade in counterfeit goods threatens the competitiveness of U.S. businesses, the livelihood of workers, and consumer safety. It also helps fund transnational criminal enterprises.

CBP's targeting of high risk shipments, ongoing communication with IP rights holders, and joint operations with our international colleagues have yielded significant results. In FY 2015, CBP and our sister agency, ICE, seized nearly 29,000 shipments of products containing IPR infringements, a 2% increase over 2014. Approximately 34% of these seized goods worth more than \$470 million in retail value came from Hong Kong.



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I'm proud to say that Hong Kong Customs ~~hasn~~ a strong partner in the effort to address this issue. Earlier this year, CBP ~~and~~ HKCE conducted a joint IPR enforcement operation in which CBP shared select shipment information, enabling Hong Kong Customs to identify high risk shipments for further exam. This resulted in the seizure or abandonment of more than 1,000 shipments of counterfeit merchandise valued at over \$50 million.

These joint operations are force multipliers for CBP, and provide real benefit to both Hong Kong and the U.S. And the lessons learned from collaboration on this issue are extending to CBP ~~and~~ HKCE's efforts to target and disrupt illegal wildlife trafficking. CBP's Commercial Targeting & Analysis Center (CTAC) is providing valuable data and risk information to HKCE, which is aggressively pursuing traffickers and the networks that profit from the illegal trafficking of wildlife and endangered species products.

CBP's Travel Mission



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CBP processed 112 million international travelers arrived at U.S. airports during Fiscal Year 2015, up 5 percent from 2014. Over 1.2 million of these passengers arrived on flights from Hong Kong. With international travel projected to increase 4% annually over the next 5 years, we anticipate growth in traffic to and from Hong Kong as well.

To meet this growth, CBP is taking steps to better streamline and secure travelers entering the United States. Once again, automation is playing a major role. For example, Automated Passport Control, or APC, allows U.S. and Canadian citizens, Legal Permanent Residents, and returning international travelers to utilize the more than 1,300 APC kiosks located at 42 airports worldwide to expedite their entry. APC kiosks cut the time required with a passenger in half, and allow CBP officer to focus on the passenger instead of on paperwork.

And we've expanded this to the mobile environment with Mobile Passport Control, a mobile application that allows arriving passengers to avoid paper declarations and simplifies the arrivals process.



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CBP drives these innovations to provide a best-in-class international arrivals experience, while continuing to focus on security in international travel.

Conclusion

In closing, let me once again thank (b) (6) and AmCham for hosting this important dialogue. The AmCham has been a tremendous organization, connecting U.S. and global businesses through its pivotal hub in the Asia-Pacific region for over 40 years.

My hope is that you recognize the role that CBP plays in facilitating and securing global trade, and that we understand your needs and the complexities of Hong Kong and the region.

I look forward to our discussion. Thank you.



Remarks of CBP Deputy Commissioner Kevin McAleenan
 Plug and Play: International Passenger Traveler Forum
 August 22, 2016

Good day everybody, I was going to say good afternoon but we're making great progress. Very excited to be here today and what an audience.

(b) (6) Thank you and the Plug and Play team for hosting this event. You certainly bring together a great group of innovators across multiple industries. I would like to thank my close colleague and friend, (b) (6) for kicking us off as well as our esteemed Deputy Secretary for words to really set us up. So two more government speakers, both from U.S. Customs and Border Protection before we turn it over to the panels to hear from how they tackle some of the challenges. Really glad because I think we have the right group in the room to really respond to it.

A couple of quick background points. CBP, U.S. Customs and Border Protection, we're the largest law enforcement agency in the United States, 60,000 strong, \$13 billion budget and we're really happy to be here for our second trip at the senior level to the Silicon Valley this year because we're really investing heavily all in – in working with the tech community to innovate out of some of complex areas. We're leveraging the Department of Homeland Security Science and Technology Directorate's transaction authority as well and In-Q-Tel to get us going fast.

And in April we held a kick-off event to start that collaboration process and introduce CBP and our complex problem set to the venture and start-up communities here. We had a good start. We have focused CBP solicitations. Interest from dozens of companies and we're expecting awards in early fall. So that's pretty fast on a procurement cycle for working with the government. And it's good stuff, its wearable, drones, analytics, really stuff at the cutting edge of what you're all working on out here. And we're going to keep pursuing these engagement in a manner that I think is attractive to the start-up and venture communities with streamlined procurements backed by funding at the Deputy Secretary noted. Not a pie in the sky.

But today's conversation is not just about CBP and our complex problem set, it's even about CBP and TSA working together to secure and facilitate, as the Deputy recognized, travel. I think it's about something bigger that we're all together here today. And I believe it's about a convergence that's happening in travel and technology across a \$1 trillion industry—and really an opportunity right now that we have to collaborate between governments, the aviation industry, and the tech community to dramatically transform air travel and the passenger experience.

Let me briefly describe the challenges we are facing. I think we'll have a little colorful slide to get us in the mood here. Some of you might recognize Jon Snow, I know a lot of folks in the Silicon Valley watch HBO. You get to look in a mirror, but also watch Game of Thrones. On Game of Thrones of course the Stark words are "winter is coming" – they are always predicting what's now happening (spoiler alert) but winter is always coming and something they are always preparing for, constantly in their culture.

Well for us, hence the slide, the busy travel season is the summer, summer is coming is a mantra we have adopted at CBP to remind ourselves that we do constantly prepare to get out in front of this and I thought people would appreciate our friend Kit Harrington. So what does it mean that summer is coming?

Travel is growing dramatically—roughly at the incline of a successful takeoff. On the international side, that has meant 35% growth in international air arrivals in the past 7 years—89 million in 2009 and we're going to crest 120 million this fiscal year. That's nearly 5% compounding growth annually. This year thanks to great work by our aviation industry partners and a lot of interest in travel to the U.S. we are at 6.5%. That's really staggering, and if you think about this travel coming through the same infrastructure, with roughly the same amount of government personnel processing, roughly the same amount of airline personnel, you can see the challenges and the innovation that that is going to have to drive.

According to the experts estimates, whether the Department of Commerce; Department of Transportation Airlines 4 America, or US Travel—all see this continuing. And its similar on the domestic side, often a even larger annual base.

This is great for the U.S. and global economies but it is extremely challenging for government security professionals that are trying to keep with that growth while providing security. At the same time federal budgets are not growing, to say the least. We joke that flat is the new up, if you are maintaining your budget you obviously made a good case for your program to even keep your funding at this point.

Federal funding alone is part of the solution but ~~was~~ the whole solution. As (b) (6) reminded us we have to be mindful, as we saw with recent attacks on aviation in Egypt and Somalia, Turkey, and Belgium, the continued threats in Europe, and lethal ISIS, under pressure and losing territory in Syria and Iraq, that the global threat environment continues to be very challenging and that's not going away unfortunately any time soon. On commercial aviation, both in-flight and airport infrastructure, will remain the top priority target for our adversaries.

The conclusion to draw from these layered pressures is that we are going to need to innovate our way out of this one—and to innovate in this complex ecosystem we will need to do it together.

So let's talk about where we are today. I wanted to talk a little about our current process. You might recognize Ellis Island and see if you can recognize some similarities. Being a little uncharitable as we have made a lot of strides in the last three years, but self-deprecation is good.

Airline Check in—Paper or Digital Boarding Passes require human checking and ID.

TSA Checkpoint—Another human check of the boarding pass and ID

CBP—Human check of handwritten documents used to be the norm. A stamp, a stamp; updated somewhat from Ellis Island, but still a stamp! And, yes, a human check of an ID document. And a stapler.

[By the way, humans are very good at checking ID documents, allowing for imposter threats.]

90 seconds to 2 minutes of completely irrelevant administrative activity that's the problem. When you add in physical and x-ray screening of travelers and the large that is a lot of process, with a number of artifacts that don't add a lot of value.

An ID is not a potential security threat. We are we checking this piece of plastic when really we're worried about the person that is in front of us. How do we change that dynamic?

And the time and space it takes to undertake all of these processes, not to mention the personnel, are quickly being overtaken by that growing volume.

How are we, as government and industry, going to respond? What do we mean by a convergence?

We see 4 major transformations ongoing now.

- (1) The first response is coming from the air carriers and airports. Not content with the revolution in check-in brought about by kiosks, or even mobile solutions with the use of a QR code to board a flight, air carriers and airports are hard at work to eliminate the boarding pass entirely and we think they are right. You will hear more on this from them later.
- (2) Second, TSA and global aviation security partners are looking to eliminate manual check of the boarding pass and IDs as you heard from Huban, TSA is already moving out on this effort.
- (3) Third, CBP, for its part, is working to create a seamless, paperless, and border-directed process in international arrivals, and now, departures, or Entry/Exit.
 - * Since 2012, we have eliminated the immigration form entirely and instead rely on electronic data already submitted by carriers with their passenger manifest.
 - * The Customs Declaration, this little blue form. In 2013, only 3 percent of travelers—just our Global Entry partners were able to arrive without this. Some of you were pioneers with that program. Today, the number of travelers who don't need a paper declaration is over 75% as we have automated this process with Automated Passport Control, and Mobile Passport Control along with fourfold growth in Global Entry to 12%. We're not done, we want that well over 90% in the next 12 months.
 - * What's next? How about getting rid of this on the passport or at least the second time we see you have it in your pocket. We think this could be a game changer as well.
 - * And for exit, our commitment is that we will design a process that works with existing airport infrastructure and carriers boarding processes. Congress has appropriated \$ billion over the next decade toward this goal. And we intend to spend it wisely and in close partnership with the aviation industry.

(4) Fourth, to make your arrivals even further streamlined, we are also working with global airports and foreign partner governments to expand U.S. Preclearance just a better way to travel internationally. Instead of deplaning a triple 7 with 350 of your closest friends, or an A-380 with 500 plus, maybe at the same time that both widebodies are arriving, and then queuing up you can complete your U.S. border processes, customs, immigration, and agriculture, before you even take off, on your timeline as you arrive at the airport, or as you transfer flights at a foreign hub. So when you arrive at your destination, you can deplane as if on a domestic flight and go directly home, or transfer, without going out through CBP and back in through TSA.

- * To enable this, we are working with foreign airports to make CBP's process work within existing and modernizing facilities so that precleared travelers can enjoy the retail and lounge opportunities that are key to positive passenger experience, and to the airport's bottom line.

So, when you think about the air travel environment, you got several different use cases:

- * You might be a traveler departing for an international flight from the USA
- * You might be departing from a foreign preclearance location to the USA
- * You might be departing from a foreign airport to the standard arrivals process
- * You might be encountering aviation security

When you boil these interactions down, they're really not that different. We have a standard set of information about the traveler, from the airlines, we have our internal government holdings, we want to confirm your identity in a secure manner, and send you on your way. This may be a surprise to you, but sometimes I think that the government makes things a little more complicated than they need to be.

What we want to do is take these experiences and harmonize and standardize them. I want it to be a process which is seamless, "standard interface" for interacting with US Customs and Border Protection no matter where you encounter us in the world. I want the CBP inspection process to be a user experience that would make Silicon Valley proud, at least not embarrass you.

To do this we need to integrate independent efforts currently underway, both by government and by air carriers and airports. We do not want to be in a position where the solutions we are all seeking are not interoperable, this would only hamper our efforts to simultaneously enhance security and the traveler experience.

The solution. What's going to make all this possible? It's already starting.

You see industry and government globally moving away from identifying a traveler, their assigned permissions and trust level, and what they are doing with them, through different tokens representing them to using the traveler themselves as their own validation.

Biometrics can take the place of all of this, and enable a seamless, more efficient and secure process that is intuitive to the growing percentage of travelers that are digital natives. We have

to move away from mandating all of these different artifacts to represent the traveler as the key—creating a biometric pathway over the prior obstacles.

I know that with the dramatic developments in mobility and biometrics that the solutions are out there. What will it look like precisely? I'll admit, I don't know—but I'm willing to bet that some of you do.

Another reason we are thrilled to be participating here today is that we want to change how the government does business. I will let you in on a secret—we're not always the fastest or best customer.

For this initiative, instead of us owning everything in a big procurement, I want us to be the convener, and the seeder of ideas through our engagement efforts with S&T and the Silicon Valley Initiative.

The risk we see in this moment is that we proceed in separate silos as different government agencies, carriers, and airports.

- * We won't be successful that way—we will make only marginal improvements in disparate systems.
- * What we need is a set of biometrically-enabled processes and solutions that are compatible and interoperable, relating back to the common platform.
- * Our success is dependent on the airlines, airports, the government, and the tech industry, establishing a platform that enables everyone involved in the process especially the traveler to gain more conveniences and value from air travel.

We will help articulate the vision and enable you to take risks without us through buying technology and through public private partnerships with industry, but we want to leave the innovation and business-to-business dealings to the experts. This will create opportunities for all of us to build compatible capabilities.

For our airline and airport partners we want to help foster and fund innovation in the technology community that will help bring you innovative and disruptive solutions. We'll use our funding mechanisms to support the high risk, high reward, disruptive development that we need to make this effort a reality.

For the startups here we want to provide you non-dilutive funding through the DHS Silicon Valley project to help you adapt your technology to our needs. Bring all of us fresh and new ideas.

For the big technology companies we want you to think about how your products can be applied to this challenge. We want your nimble teams. This is not your typical government procurement effort.

For the members of the VC community help us find the best solutions to participate in the trillion dollar transportation industry.

And for all of you— we will utilize our pilot authority to rapidly bring innovation into the field so we can test out new solutions quickly and efficiently. ~~Let's~~ ~~Not~~ just talk about how we can change the air environment. ~~Let's~~ start figuring out what does and doesn't work.

The growing global traveling public—the traveling public that we serve and that represent your customers is a huge, vocal, and discerning community. All of us want them to have the safest and best travel experience possible and a seamless journey through our shared processes.

And with the kind of leaders and experts we have here today, I believe we can achieve that.

Toward that end, I'm now going to turn it over to my CBP colleague (b)(6);(b)(7)(C). Not only was he principally responsible for Global Entry, which should make him pretty popular here, he has been the driving force on several of our ongoing innovation efforts, such as the APCs and MPCs, I mentioned earlier. He is allergic to bureaucracy and does not recognize barriers or boundaries—some pretty special traits in a government leader and law enforcement officer. He is going to walk you through a deep dive of how we process passengers today, and where we want to go with the second phase of our transformation efforts.

I also look forward to hearing from the industry experts this afternoon, and especially glad that distinguished colleague (b)(6) American Airlines Chief Operating Officer, and (b)(6) (b)(6) the CEO of U.S. Travel, (b)(6) of JetBlue Ventures could join us, not to mention the outstanding lineup of airport and tech industry colleagues on the panes, and so many of our senior stakeholders and new partners out in the audience.

Summer is coming. the convergence moment is here. We recognize it and plan to exceed your expectations as government partners. Help us find the solutions.

Thank you.



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Remarks by Deputy Commissioner Kevin K. McAleenan
Name of Event: Suicide Awareness and Prevention Event
Location: TBD
Date: Sept. 1, 2016 - 8:55-1:40 pm (Event: 1:30-3:30)
Introduced by: Chief (b) (6), (b) (7)(C)

Press: Closed
Run Time: 5 mins.
Audience: XXX
Format: Podium
Q&A: No

“A Conversation Can Save A Life”

Good afternoon, and welcome everyone. Today marks the beginning of Suicide Awareness Month.

But awareness should have a “shelf life” – because so much is at stake. Every day of every month, we must be aware of the tragic toll that suicide takes.. each loss is devastating to a family, to friends, and to colleagues.

And we must take awareness to the next level. We must not be reluctant to start the conversation. Contrary to what many people believe, asking your coworker or family member if he or she is considering suicide does not “plant the idea” or encourage it. Research, in fact, shows the exact opposite¹.

¹ <http://ihawkes.academicblogs.co.uk/2016/01/06/is-it-dangerous-to-ask-or-talk-about-suicide/>

Instead, asking the question having that conversation helps the person understand that they are not alone— that someone cares and that help is available.

We have an incredible panel here today really knowledgeable people who are experts in their fields and we have a powerful video as well as an information fair featuring resources and tools available to help you.

I appreciate this opportunity and I encourage everyone to step up and never be afraid to start the conversation. It truly can save a life.

Thank you.

Summary of literature survey conducted by Kings College, London published in Psychological Medicine, Vol 44, Issue 16, December 2014. Cambridge University Press, published online 17 July 2014:
<http://journals.cambridge.org/action/showAbstract?fromPage=online&aid=9395061&fileId=S003329171400129>
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Remarks by Deputy Commissioner Kevin K. McAleenan

HRM Special Recognition (Suicide Awareness & Prevention Event)

Location: 1400 L St. NW- 10th Floor Multipurpose Room

Date: Sept. 23, 2016- 1:30- 2:00 p.m.

Introduced by: Chief (b) (6), (b) (7)(C)

Press: Closed

Run Time: 5 mins.

Audience: 60 + Webinar

Format: Podium

Q&A: No

HRM Special Recognition Event Suicide Prevention and Awareness Event

- * Thank you, (b) (6)
- * It's a real pleasure to be here to congratulate all of you on putting together such a powerful event on September and for everything you're doing to help our employees be more resilient.
- * I especially want to thank Assistant Commissioner Linda Jacksta for her tireless commitment and leadership in suicide prevention and awareness
- * It's a critically important topic and thanks to your efforts it's being brought out into the open.
- * Just last week, as you know, CBP suffered the tragic loss of two more employees a Border Patrol agent on our Southwest Border and a CBP officer on our Northern Border.

- * That brings us to ~~one~~ **nearly 80** CBP employees who have taken their lives since 2007.
- * Law enforcement professionals and our veterans are particularly vulnerable to depression and feelings of isolation.
- * For far too long, suicide and the terrible toll it takes on our colleagues and families has been a taboo subject, particularly in these vulnerable communities.
- * But CBP is making a significant, concerted effort to promote resilience among our employees and their dependents.
- * We recognize that a conversation can save a life.
- * But we're not just talking about it; we're doing something about it.
- * And employees across all of CBP have stepped up
 - Office of Human Resource Management
 - Office of Public Affairs
 - Office of Finance
 - Air and Marine Operations
 - Office of Technology and Information
 - U.S. Border Patrol
 - Office of Field Operations



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- * The September 1 kick-off event was extraordinary.
- * It was standing-room-only, and our panel participants delivered thoughtful, moving perspectives on this subject.
- * As the panelists themselves noted, CBP is way ahead of other government agencies in providing information and resources to employees— **and that is due to your enthusiasm and commitment.**
- * The event was well-received by the audience, many of whom praised CBP for providing meaningful assistance to our workforce.
- * Today, we are proud to recognize CBP employees who have done so much to help start the conversation and whose dedication has laid a firm foundation that will undoubtedly help keep that conversation alive.
- * **Thanks to you, there is tremendous momentum now.**
- * Just last Saturday, CBP hosted a successful family outreach event in El Paso, attended by more than 1,600 CBP and ICE employees and their families.



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- * That event included a health fair, workshops, information booths, special displays, live entertainment, and food vendors, and it was a wonderful way to engage employees on awareness and prevention of suicide.
- * What you are doing **is so important**.
- * Keep up the great work.
- * Know that your efforts make a real difference and can even save lives.
- * Thank you.

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Remarks by Deputy Commissioner Kevin K. McAleenan
Name of Event: Danish Customs: ATS-G MOU Signing Ceremony
Location: Treaty Room, Ronald Reagan Bldg. Wash. DC
Date: Sept. 26, 2016- 12:30 – 1:30 p.m.
Introduced by: INA Assistant Commissioner AC Mark Koumans

Press: Closed?
Run Time: 5-7 mins.
Audience: ~15-20
Format: Table
Q&A: No

Signing Ceremony with Danish Customs Advanced Targeting System-Global (ATS-G) Memorandum of Cooperation (MOC)

Introduction

- * Thank you, Mark.
- * I'm delighted to welcome our counterparts from the Kingdom of Denmark and I want to thank Director General of Danish Customs, Preben Buchholtz Hansen, for being here today.
- * I would also like to welcome:
 - Deputy Director General of Danish Customs and Tax Administration Ole Morsing
 - External Relations Manager / Special Advisor to Danish Customs and Tax Administration Carsten Malling Nielsen
- * I'd also like to recognize the following from CBP:
 - Acting Assistant Commissioner Mark R. Koumans, Office of International Affairs

- Office of International Affairs, Deputy Assistant Commissioner Ian C. Saunders
- Office of International Affairs, Europe Division Director (b) (6), (b) (7)(C)
- Office of International Affairs, International Relations Specialist (b) (6), (b) (7)(C)
- Office of International Affairs, International Relations Specialist (b) (6), (b) (7)(C)
- Office of International Affairs, International Relations Specialist (b) (6), (b) (7)(C) and
- Office of Field Operations, Global Targeting Advisory Division Director (b) (6), (b) (7)(C)
- (b) (6), (b) (7)(C) General Attorney with the Office of Chief Counsel.

- * The United States and Denmark have enjoyed strong, positive, and cooperative relations for more than 200 years, and as a close NATO ally – Denmark is a key partner in Europe.
- * Our formal diplomatic relations date to 1801, and have been uninterrupted since then a bond that has endured through even the most remarkable upheavals in world history.



- * Thanks to this latest agreement, the United States and Denmark will work more seamlessly to ensure the safety and security of our two nations.

Overview

- * ATS-G provides a framework for sharing best practices for risk-based screening of travelers.
- * The ATS-G software is used for establishing passenger targeting rules.
- * It improves targeting and intelligence outcomes, promoting data exchange and information sharing that enhances the security of both our countries.
- * Today's ceremony is the next step in our engagement with the Kingdom of Denmark in mutual cooperation on the collection of air traveler data, risk assessment methodologies, and customs and border trends.



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- * We especially appreciate the collaborative spirit and shared sense of purpose in our negotiations with the Danish Customs and Tax Administration (SKAT).
- * We've been working closely together for several years.
- * In December 2013, CBP subject matter experts traveled to Copenhagen to meet with SKAT's Passenger Information Unit (PIU) and to learn about the PIU's Advanced Passenger Information (API) and Passenger Name Records (PNR).
- * The following year, in October 2014, CBP hosted a delegation from SKAT to discuss ATS-G further and SKAT expressed interest in pursuing a partnership.
- * We subsequently drafted a Memorandum of Cooperation for SKAT to review and comment on through the ICE/HSI Attaché.

Today's Agreement Next Steps

- * Under today's agreement, CBP and SKAT intend to share information about specific individuals that provide matches to mutually identified lists, scenarios, or other parameters.



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* Our **next steps** involve:

- A technical site assessment in Copenhagen to determine the precise placement of the ATS-G application.
- Completing the negotiation and signing of an Interconnection Security Agreement between CBP and SKAT.
- The installation of ATS-G and the exchange of information between SKAT and CBP.

Conclusion

- * In closing, I'm honored to participate in the signing of this Memorandum of Cooperation governing the ATS-G with the Kingdom of Denmark.
- * I want to thank Director General Hansen and the Danish delegation.
- * Agreements like this one are a significant accomplishment and reflect our shared commitment to the facilitation of lawful travel and the safety and security of our homelands.
- * Thank you.

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Remarks by Deputy Commissioner Kevin K. McAleenan
Name of Event: Procurement All-Hands
Location: National Place Conference Room 1524-N
Date: Sept. 29, 2016- 11:30 a.m. - Noon
Introduced by: Richard Gunderson, XD Procurement, OA

Press: Closed
Run Time: 5-8 mins.
Audience: 175 total
Format: Stand Up/No Podium
Q&A: Yes

All-Hands Meeting

Office of Acquisition/Office of Procurement

Introduction

- * Thank you, XD Gunderson Rick.
- * I'm pleased to join you all here today to congratulate the Office of Acquisition and the Procurement Directorate for the incredible work you do in contributing to CBP's mission.
- * I'd also like to thank all of you who are joining via conference call and Lync video.
- * I'd like to recognize Executive Assistant Commissioner Eugene Schied and Deputy EAC Stephen Bitotti for their tireless commitment to the acquisition and procurement processes.
- * I also want to recognize Chief Procurement Officer (b) (6), (b) (7)(C)

- * All of you here— as well as and those of you who are joining remotely— must be commended for your efforts throughout the year, but especially for your dedication during this challenging fourth quarter.
- * I want to assure you that CBP leadership, across the board, recognize the pivotal role that you play in supporting our mission — by acquiring the products and services that enable our operators to do their jobs.
- * This year, OA estimates that CBP will award more ~~16,000~~ **contracts** and other business agreements ~~valued at~~ **\$2.9 billion**, by the end of the Fiscal Year.
- * And we couldn't do this without you— your expertise, your commitment to our mission, and your focus on getting us the very best for every dollar.



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OA's/Procurement's Critical Role

- * Every CBP officer and Border Patrol agent, every import specialist and policy analyst, every attorney and every scientist everyone who works for CBP– relies on you.
- * Let me mention just a few of the ~~vital~~ products and services ~~that~~ you and your hard work have made possible
 - **ACE** – the Automated Commercial Environment, “Single Window” – thanks to you we’re giving our trade stakeholders the automation they need and ~~are~~ on track to meet the President’s deadline of Dec. 31
 - **Multi -Role Enforcement Aircraft (MEA)** – CBP’s newest aircraft, which enhances our law enforcement and emergency operations by providing a rapid-response deployment capability– vital to our mission;
 - **Integrated Fixed Towers** – an essential ingredient in our use of technology to enhance border security in Arizona
 - **Non-Intrusive Inspection (NII) equipment** – ensuring cargo and consumer safety by keeping hazardous materials and other contraband out of the supply chain
- * The list goes on and on
 - Ground transportation and fuel



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- Facilities maintenance and repair
 - Uniforms;
 - Supplies for our canine program and the canines themselves!
 - Biometrics equipment the future is here.
-
- * **From computers to copy paper... from software to staplers...**
 - * Whether its trade facilitation, trade enforcement, traveler inspection, or targeting, CBP knows it can count on OA to deliver the best tools for the job.
 - * We also appreciate your commitments **and business practices**
 - * You have **akeen recognition** of our responsibility to **beareful stewards of public funds...** and we know that better business practices make our **budgets go a lot further**
 - * CBP leadership also recognizes your strong engagement with industry— especially the **small business community** where CBP is expected to exceed its goals once again
 - * It's also worth noting that contracting **is just a procurement function.**



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- * It requires the direct involvement of experience program managers and supporting acquisition staff, and CBP is committed to promoting better planning, better requirements definitions, and better execution.
- * I want to commend OA for its management and oversight of CBP's Purchase Card Program.
- * There are more than ~~1,000~~ **1,000** cardholders, and they've executed more than ~~250,000~~ **250,000** actions this Fiscal Year that is just astonishing.
- * Thanks to you, those actions are carefully tracked and documented – no easy task in the nation's largest law enforcement agency.

Conclusion

- * It's football season again, so forgive the analogy here, but it works well for the Fiscal Year, too.
- * As we watch the countdown of the final few minutes of the fourth quarter, I want to thank what I see as a truly winning team.
- * No "Hail Mary" passes needed here; you kept the ball moving admirably in helping us reach so many of our important goals.



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* Thank you. And now I'd like to open it up to you all, to hear your perspectives and what's on your mind.

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Remarks by Deputy Commissioner Kevin K. McAleenan
 Name of Event: 8th Annual Border Patrol Recognition Dinner
 Location: J.W. Marriott Hotel, Wash. DC
 Date: Oct. 18, 2016- 6:30-9:30 p.m. (Remarks 8:30 p.m.)
 Introduced by: Chief (b)(6);(b)(7)(C)

Press: Closed
 Run Time: 7-10
 Audience: 250
 Format: Podium
 Q&A: No

Honoring Judge Robert Bonner

Thank you, Chief (b)(6);(b)(7)(C) for that kind introduction - and good evening, everyone. I want to thank the Border Patrol Foundation for inviting me to speak at this important annual tribute to the surviving spouses and families of our fallen Border Patrol agents.

I am honored ~~and~~ humbled, in fact to participate in tonight's recognition of one of the most important mentors in my life, Judge Robert Bonner.

Judge Bonner first came to us as Commissioner of Customs, which was a part of the U.S. Department of Treasury.

In fact, his first day on the job was September 10, 2001.

I feel pretty confident in saying that none of us in this room has ever had a second day on the job as stressful as his was.

The events of that second day 9/11 – irreversibly altered all of us.

They demanded an entirely new approach to protecting our national and economic security.

And on his third day as Commissioner, Judge Bonner gave an all-hands speech to all U.S. Customs employees in which he told everyone that their priority mission would now be to prevent terrorists and weapons of terror from entering the United States.

Later, as part of the homeland security reorganization, Judge Bonner was appointed to be the first Commissioner of U.S. Customs and Border Protection



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And as CBPs first Commissioner, he faced a daunting task creating a single, unified border agency for our nation one that integrated Border Patrol agents, Customs officers, Immigration inspectors, and Agriculture specialists into one cohesive frontline border agency.

The merger of all border-related agencies was not a new idea. It actually had been recommended by seven independent commissions going back nearly three decades.

But, unfortunately, it took the worst terrorist attack in history it took 9/11 – to make clear that we could no longer have a fragmented approach to border security

Judge Bonner recognized that if we were to be as effective as possible in preventing terrorists and terrorist weapons from getting into the U.S., we needed to place all border control authority and personnel into one agency, and eliminate the fragmentation.



For that reason, he proposed the merger of the border agencies and functions to the White House.

The creation of one border agency was one of the least noticed one of the most critical aspects of the homeland security reorganization.

And Judge Bonner showed remarkable courage and leadership from day one of that reorganization. A few words now on how he did it.

First, Judge Bonner is a keen observer and listener

Judge Bonner quickly and methodically took stock of the security “apparatus” he inherited from his predecessor, Ray Kelly, and he realized that it would no longer suffice in a post-9/11 world.

It’s important to remember that Judge Bonner brought with him his years of experience as an attorney and on the bench.



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As a “recovering lawyer” myself, I can tell you that the hallmark of an excellent jurist is someone who doesn’t just “hear” a case – it’s someone who truly listens.

Second, Judge Bonner is decisive.

Based on what he saw and what he heard, Judge Bonner moved quickly to develop and implement some **truly revolutionary initiatives** – initiatives designed to enhance our nation’s security, but without choking off the flow of legitimate trade and travel, without damaging our economy and the global economy.

These initiatives included:

➤ **The National Targeting Center’s Use of Automated Targeting**

Thanks to this vision, U.S. Customs secured the funding and resources to establish the NTC and expand its automated targeting system. This was a key innovation in the use of automated targeting to identify travelers and cargo that posed a potential terrorist threat – to identify threats *before* they reach our shores.

➤ **Advance Electronic Data.**



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To be able to do automated targeting, Customs needed electronic information on passengers and goods ~~in~~ advance of their arrival. Judge Bonner helped secure legislation in November 2001 that required advance passenger and PNR data be provided to U.S. Customs on all passengers flying from abroad to the U.S., and he implemented that legislation immediately, before its effective date. Not long thereafter, he promulgated the 24 Hour Rule that required advance manifest information on all ocean-going cargo containers 24 hours before being loaded on vessels bound for the United States. Those advance information requirements were then expanded to all modes of cargo shipments—trucks, rail and air.

➤ **The Container Security Initiative (CSI)**

The idea of identifying high risk containers ~~before~~ before they left a foreign port for the U.S., and having the host nation Customs authority inspect high risk containers outbound to the U.S. was truly a bold, revolutionary idea. Undaunted, Judge Bonner proposed it at CSIS in January 2002, and before the end of the



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year he had obtained CSI agreements from many foreign governments— and, in short order, we implemented CSI in virtually all the major foreign ports of the world.

➤ **The Customs-Trade Partnership Against Terrorism (C-TPAT)**

Judge Bonner understood that we needed to partner with the private sector to improve security of imports, -goods moving from abroad to the U.S. In November 2001, at the Customs-Trade Symposium here in DC, he proposed a partnership with the trade to do exactly that. While C-TPAT started with just seven companies, it quickly expanded, to now 10,000 companies, the largest public-private partnership to develop in the wake of 9/11.

➤ **The Office of Anti-Terrorism.**

Within two months of 9/11, not only had Judge Bonner launched the NTC and C-TPAT, but he created the Office of Anti-Terrorism – or OAT.

Judge Bonner believed that Customs needed an office to make sure that all of Customs was using its resources and authorities as



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effectively as possible to carry out the priority counter-terrorism mission.

I was delighted when he asked me to join his team as Counselor and Special Advisor to the Commissioner in the OAT in November of 2001.

All of this activity I've just described required tremendous coordination and cooperation.. and you all *know* how much the government enjoys change..... But he got it all done in very short order.

Despite being new to the job in the wake of the 9/11 attacks, within six weeks— *6 weeks That's the blink of an eye in the government* he set up both the National Targeting Center and the Office of Anti-Terrorism.

As if all this wasn't enough, in early 2003 just 18 months after 9/11 Judge Bonner was asked to form a new government agency, CBP.



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Think of it: **four** different agencies, from ~~three~~ **three** different departments of government, were being brought together ~~into a new agency~~ **into a new agency** a new **unified border agency** of the United States.

As Judge Bonner used to tell Secretary Tom Ridge, CBP was and is, by far, the largest actual merger of people and functions that was taking place within the Department of Homeland Security. This one agency alone consisted of **1/4th of all of the employees of DHS.**

It's worth noting that about **70** percent of corporate mergers of this size fail. And you just **cannot afford to fail** when it comes to protecting our national and economic security

He set up a Transition Management Office (TMO) and a process for quickly identifying and deciding issues necessary for CBP to effectively integrate. He called it **'decide and go'**



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And here is where Judge Bonne's listening skills and decisiveness came together to benefit the United States Border Patrol.

A big part of the creation of CBP was the transfer of the entire Border Patrol from the INS to CBP.

Judge Bonner had worked with the Border Patrol in his former government positions and had great respect for the tough job it had and for its proud traditions. He also knew that the Border Patrol, as part of INS, had been woefully underfunded and underrespected.

He immediately set about to change that.

After listening carefully to the Border Patrol, his first decision, which he announced at a meeting with the Sector Chiefs in February 2003, was that the Border Patrol would **"stay green"**



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Judge Bonner made ~~five~~ **key decisions** that set the stage for the modern, post-INS, Patrol:

➤ **Chain of Command.**

He made clear that the chain of command going forward would be that all Sector Chiefs would report to the Chief of the Border Patrol. That Chief of the Border Patrol, in turn, would report directly to the Commissioner

Shortly after CBP was created, Judge Bonner selected ~~David~~ **Aguiar** to be the Chief of the Border Patrol.

➤ **Headquarters Staff**

For the Chief of the Border Patrol to be effective, Judge Bonner believed that the Chief needed a beefed up operational and administrative headquarters staff. There were ~~17~~ **171** Border Patrol staff at INS Headquarters. Bonner set about increasing the headquarters staff ~~to~~ **several hundred**.

➤ **National Strategy**



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Judge Bonner oversaw the Border Patrol development of a national strategy for carrying out its responsibility for securing the borders of our nation between and interior of the ports of entry.

➤ Resources

Working with Chief Aguilar, Judge Bonner helped secure the largest increase in Border Patrol Agents in history. He and Chief Aguilar secured the approval of Secretary Chertoff, OMB, and the President, to double the size of the Border Patrol to deploy new technologies to detect illegal border crossings.

➤ Training

Judge Bonner, working with Senator Domenici on the Appropriations Committee, secured Artesia, New Mexico as the principal training facility for the Border Patrol

As CBP Commissioner, Judge Bonner empowered CBP's counter-terrorism efforts, recognizing that CBP must be nothing less than nimble in its increasingly complex mission in an increasingly complex world.



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And that mission is to stay ahead of evolving threats to our nation security while still facilitating the flow of lawful travelers and cargo.

After two years as Customs Commissioner, Judge Bonner led CBP through its birth, through the difficult, challenging first 2 ½ years.

I suppose you could say now, at age 13, CBP is an adolescent! And one that has grown strong and disciplined, thanks to the foundation he laid. Judge Bonner truly is the “father” of CBP, and I am deeply grateful to him for the example he has always set for the rest of us.

***[PLACEHOLDER FOR YOUR RECOLLECTIONS
ABOUT JUDGE BONNERS LAST DAY HERE AT CBP]***

So, in closing— I want to thank the Border Patrol Foundation for its dedication to the Border Patrol, to the fallen, and to their families.



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The Border Patrol has made CBP the finest law enforcement agency in the nation. The Foundation truly understands the sacrifices that our agents and their loved ones make, and it to serve the families with compassion and commitment.

And now, because pictures really are worth a thousand words, I want to present a video tribute to our guest of honor, Judge Robert Bonner.

Thank you.

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U.S. Customs and Border Protection

Remarks by Kevin K. McAleenan

Event Name: U.S. Chamber National Security Task Force Meeting

Location: U.S. Chamber of Commerce, 1615 H Street NW

Date: November 15, 2016 - 11:00-11:30am

Introduced by: (b) (6)

Press: Closed

Run Time: 15 mins.

Audience: 100

Format: Seated at head table

Q&A: Yes

Introduction

Thank you, (b) (6) for your warm welcome. It's an honor to be here on a program with such a distinguished group of speakers, as well as some of the leading lights of U.S. Homeland Security that I have looked up to and sought to model in my career, in Secretary Ridge, Admiral Allen and others.

The US Chamber of Commerce and the National Security Task Force have long been key partners with DHS and its component agencies, including CBP—and we appreciate your role in enabling two-way communication and exchange of ideas with industry—to help us achieve our national and economic security goals. We have always enjoyed having the opportunity to share what we are seeing and where we are going, and I appreciate the opportunity to join you again in this Hall to provide an update. So let me start by giving you a brief overview of where we are today at Customs and Border Protection, and I would love to save some time for a dialogue.

Overview of agency

So...there is a lot going on in DC these days it would appear. In terms of transition, CBP is well-prepared and benefits from the fact that our mission is really a bipartisan one.

As the unified border security agency of the United States, with a priority counterterrorism mission and the responsibility to protect our borders at and between ports of entry, while securing and facilitating lawful trade and travel, CBP's focus areas will continue to be major

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priorities areas for the incoming Administration. We have accomplished a great deal in each of these areas over the Bush and Obama Administrations the past 13 years, but we have more work to do.

By way of brief background, although many folks here are well familiar with what we do, let me just say a few brief words about the size and scope of CBP:

Although we are concentrated in the continental United States, CBP operates globally. We have a presence in all 50 states as well as 40 countries around the world in 70 locations. With 60,000 employees, CBP is the largest law enforcement agency in the United States. We have over 45,000 uniformed, armed personnel and a 13 billion dollar budget.

We secure and facilitate nearly 400M inbound travelers and \$4 Trillion in international trade, while making over a half a million arrests and apprehensions. We count on one of the most sophisticated and diverse information technology backbones in the Federal Government, interfacing with hundreds of carriers and airports, 10,000 importers, 4 dozen partner government agencies, and two dozen international partners. We must hire over 2,000 talented and qualified professionals each year just to maintain our work force. A day in the life of CBP is never boring.

Border Security

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Probably makes sense to start with Border Security, as it is a topic that is front of mind from an operational and policy perspective.

Secretary Johnson released a statement last week providing our fiscal year 16 statistics and highlighted some of the key trends we are seeing at the border. In terms of illegal entries between ports of entry, we have averaged approximately 400,000 apprehensions over the past 5 years, down from 1.6M in 2000 and over 1M in 2006, while increasing our situational awareness and likelihood of interdiction. Over that stretch, the demographics of those attempting to enter our country between official crossing points have continued to change dramatically. We have gone from seeing a vast majority of single adults to over a third of those crossing illegally being unaccompanied children, or members of family units. We have moved from over 90% Mexican nationals crossing, to over half of all crossers coming from further away, primarily from Central America. And we have seen a marked increase in the number of those who express asylum claims, or a fear of return given conditions in their home countries.

These demographic changes present challenges operationally and with regard to law and policy, and effective efforts across all departments with immigration responsibilities. While border security has improved dramatically since the establishment of DHS and CBP, and will continue to benefit from smart investments in surveillance technology, fencing and infrastructure, and quality personnel, Secretary Johnson highlighted in his statement that border security alone, cannot address the migration issues caused by the powerful push factors sending people from Central America and other regions. He noted that "in reality, the system is broken." We also

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need reform of immigration laws and effective investment across the entire immigration system to address these emerging challenges.

Trade

In terms of our trade mission, we are at the cusp of a major milestone, over a decade in the making, with the completion of the Single Window for submission of import and export data to the Federal Government. Before the end of the year, we will have marked the completion of the core development of the Automated Commercial Environment, connecting importers and exporters to CBP, and the International Trade Data System, connecting CBP to the 47 departments and agencies, like FDA, USDA, CPSC, and others that have a role in regulating trade. This is a major milestone that was only possible through extensive partnerships with the trade community, interagency partners, and a number of key information technology vendors. Automating the submission of trade data and eliminating paper forms has immediate economic benefits, but we believe the potential for coordinated responses on admissibility of goods from all Federal Oversight agencies will be even more important.

I could take up the rest of our time on trade initiatives and efforts to eliminate supply chain barriers, from revamping of our trusted trader program, organization of our trade expertise into centers of excellence to provide consistent responses and support, and promulgating the long-awaited Air Cargo Advance Screening regulation, to reducing unnecessary secondary exams based on radiation detection equipment, but some of you will be attending our East Coast Trade Symposium and will get to deep dive into those areas.

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-TFTEA

The one additional area I do want to mention with regard to our trade mission, is the unmistakable signal on the need to take our trade enforcement efforts to the next level -- both from a large majority in Congress from both parties, and the clear statements of priority for the incoming Administration. We will be implementing the requirements of the Trade Facilitation and Trade Enforcement Act aggressively this fiscal year, and applying our broader agency expertise, such as our targeting capability to critical trade areas as Anti-Dumping and Countervailing Duties; IPR; and Forced Labor.

We will to undertake these efforts to increase supply chain transparency and integrity in supply chain, determine provenance and protect US consumers and industry with the same partnership approach that we apply across our enforcement missions.

Travel

Even with all that we are undertaking in the trade arena, there is perhaps no area where we have made greater strides than in our efforts to secure and facilitate international travel, particularly in the air environment, which has grown by 33% in the past six years--from 89M to 119M annual arrivals. Over the last three years, we have reduced wait times and streamlined processing despite an average growth between 5-6% per year.

Partnerships

-GE 2% to 15%

-APCs/

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RSAs – over 50 agreements by the end of the year. Return on investment for private sector and state and local governments to partner with us to enhance services and facilitate travel and trade. Allows us to apply finite staffing resources precisely where they are needed. Making a major impact at air, land, and sea ports.

-PC –

S1 announced conclusion of open season, prioritization of an additional 11 airports. This is in addition to 10 airports we are currently pursuing. PC a better way to travel to US. Pax, airports, carriers, and, critically, more secure.

Signed Sweden last week, with another agreement expected to be announced this year.

-Entry/Exit

In the years ahead, fulfilling the Entry/Exit mandate and developing processes to collect biometrics on departing visitors. First two years, overstay process and report, defined a plan to establish biometric exit. With Congress' support, over the next two years, we'll be operating that system and making concrete progress in turning pilots into operations and increasing coverage across our airports, while enhancing sea and land border solution sets.

And we will do this in concert with industry and, as with the APCs, moving at the speed of business, not government.

To underscore this, in August, we participated in an travel industry innovation summit in Silicon Valley. Each aspect of the global travel cycle is transforming and we believe we will be more



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successful if we do that work together: from airlines that are eliminating boarding passes, to airports attempting to design the terminal of the future, to aviation security agencies working to confirm identity and maintain and enhance traveler and luggage security while keeping up with explosive growth, to border agencies, such as CBP working on new models to facilitate arrivals, including mobile devices and multi-modal biometrics, as well as ways to confirm exit. We help drive this event, because we believe these developments will be successful to the degree that they are interoperable and complementary, and we want to engage in that effort with industry, with TSA, and with international partners.

CT/TCO -

The last area I want to cover today, but certainly not least, is our priority counterterrorism mission and our related efforts to disrupt and degrade transnational criminal networks. CBP has established a strong and CT, countering TCOs, and supporting priority interagency missions, FBI, IC, DOD, State, and others.

Data – Global Supply Chain; travel cycle

Authorities – enforcing hundreds of laws for dozens of agencies

Analytical capabilities – necessity of risk management

Partnerships and lack of ownership -

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International partnerships. Investing in this Hemisphere; working with Europe, Middle East, and Asia.

We christened a new National Targeting Center this Fall, a unique asset from which to apply these strengths to support national security priorities, starting from the border out. We look forward to housing dozens of interagency and international partners and adding value across a diverse array of mission sets. I look forward to briefing the incoming Administration on this capability, which has become a centerpiece for DHS.

Conclusion

So that's a quick tour of our top line focus areas and what is ahead for us.

In closing, I would like to offer that has been an extreme privilege for me to serve under Commissioner Kerlikowske. He is approaching 43 years of law enforcement experience. He has led police departments in three U.S. cities, been a beat cop, and served in the military before that. He has brought a tremendous amount of experience to Customs and Border Protection.

Watching him manage people with just the right formula of strategic guidance, but also with freedom and trust, has been truly instructive and inspirational for me. I plan to take a page from his book.

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I believe we have some great momentum and a solid foundation on which to build and adapt to emerging priorities. Our mission is critical to the nation and speaking on behalf of the career leadership at CBP, I can ensure you that we will do everything we can to ensure a smooth transition. Part of that effort will be conveying the value of our partnership with industry and the Chamber and this task force. We look forward to continued progress together in the coming years. Thank you.

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East Coast Trade Symposium Luncheon Keynote Address

Deputy Commissioner Kevin K. McAleenan

Release Date:

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East Coast Trade Symposium

Luncheon Keynote Address

As Prepared, Dec 2, 2016

Introduction

Thank you, Maria Luisa. It's a pleasure to see all of you here at the East Coast Trade Symposium, and I would like to thank you for taking the time to join us. We know that you are all very busy, especially around this time of year, and your presence at this event is a testament to the importance of global trade and the work that we do together to keep it efficient and secure.

Before I begin, I would like to thank Commissioner Kerlikowske for his leadership, for all he has accomplished, and for his work in building a strong framework, both in partnership with industry and in making great strides in streamlining our trade processes, for the challenges and opportunities that lie ahead.

It has been an extreme privilege for me to serve under Commissioner Kerlikowske. He is approaching 43 years of law enforcement experience. He has led police departments in three U.S. cities, been a beat cop, and served in the military before that. He has brought a tremendous amount of experience to U.S. Customs and Border Protection and we have been extremely fortunate to benefit from his leadership. On a personal note, I have learned something new from him every day and I hope to emulate a number of his leadership qualities going forward.

At CBP, we are committed to continuing the momentum we have in our trade efforts with all of you. Our mission of trade facilitation and security is critical to the nation and the global economy, and on behalf of the career leadership at CBP, I can assure you that we will do everything we can to ensure a smooth transition.

On that note, I also would like to acknowledge and thank some of the key individuals for this transition—our trade leadership within the agency—Executive Assistant Commissioners Brenda Smith and Todd Owen, as well as Assistant Commissioners Phil Landfried and Mark Koumans. I also want to recognize the efforts of Maria Luisa Boyce, who has done so much to enhance our culture of trade community collaboration and partnership. She has been a wonderfully positive presence—some might say, force of nature—on our trade team. Her legacy of relationships and co-creation will serve us well in the months ahead. I also want to recognize and thank Valerie Neuhart and our Office of Trade Relations staff for all of the work they did in putting this terrific event together. They are a great team and none of this could have been accomplished without their efforts. Please join me in giving them a hand.

Over the last day and a half, you have heard from CBP's leadership team, our foreign government partners, WCO leaders and industry experts on supply chain security, the international outlook, North American efforts, and key issues and initiatives in trade facilitation and trade enforcement. And we have discussed the initiatives, projects, and changes that allow us to build on where we are today as we move towards the vision that we have for the future.

In the time that we have this afternoon, I would like to focus on three areas that set the framework for what's next for our trade mission and our efforts, both together as partners and as an agency:

- **First, Change** —the changes that we see affecting the trade environment, and consequently, CBP's trade mission;
- **Second, Opportunity** —how the progress we have made thus far positions all of us to continue driving the evolution of facilitation, security, and enforcement in international trade; and
- **Third, Continuity** —continuity of CBP's mission, continuity of our operations, and in particular, continuity of our partnership with you, our trade stakeholders.

Change

So let me begin with change—what is changing in the trade environment and what progress have we made that prepares us for what's next?

Transition brings change; the mandates in the Trade Facilitation and Trade Enforcement Act, bring change; and evolution—or should I say revolution in consumer behavior, will bring change—as will continued advances in technology—all of which will alter the landscape of how we respond and interact with international trade.

We are already seeing the impact of these changes in the trade environment and in CBP's trade mission.

Trends in Consumer Behavior: E-Commerce

There has been a great deal of discussion at the Symposium and at CBP about the change in consumer behavior and in supply chains brought about by e-commerce. The seemingly simple act, which virtually all of you are doing this time of year, of making consumer purchases over the internet has dramatically impacted the way many of you do business, and has raised consumer expectations around speed and service.

It has also allowed many new players, particularly those with medium, small and “nano” sized businesses to participate in global trade. Not long ago, the import/export world was dominated by large corporations, and of course by value, it still is. But now, small- and medium-sized import and export businesses are flourishing. In fact, according to the latest statistics from the U.S. Department of Commerce, 98 percent of all U.S. exporters are small- and medium-sized businesses.

These changes have brought a new level of complexity to your business, as well as ours. Instead of a handful of major importers, CBP faces instead a large number of small importers; and CBP is responsible for screening all of those individual parcels for drugs, weapons, cash, intellectual property rights violations, and more. Unfortunately, ordering illicit commodities from overseas can be as easy as a few mouse clicks or taps on your smart phone.

While this complexity presents challenges in terms of assessing risk, targeting, and facilitating the movement of goods, the progress CBP has made in partnership with industry, positions us to meet this challenge head on.

In particular, the foundation we have built for **advance information** on shipments through the **Air Cargo Advanced Screening** pilot initiative has put us in a great position to address e-commerce and its implications for smaller cargo.

This highly successful pilot—which continues today—enables express consignment couriers, passenger carriers, and freight forwarders to provide pre-departure shipment information to CBP and TSA for joint analysis early in the supply chain. (I am happy to

report that we are just about finished with the development of the new proposed regulations to make this approach permanent, and it will begin to work its way through the multilayered approval process this month.)

This kind of advance information allows CBP to assess risk and make better decisions regarding the movement of goods without slowing down air cargo. As e-commerce grows, we will likewise grow from this framework to better operate, adapt, and address the new challenges and complexities posed by the changing landscape.

Trade Facilitation and Trade Enforcement Act: Focus on Enforcement

Another change we have witnessed this past year was the passage of the *Trade Facilitation and Trade Enforcement Act of 2015*. Among the Act's provisions, in addition to formally establishing CBP, was a clear signal that economic competitiveness and enforcement of our trade laws are among the country's highest priorities.

And consistent with the Act, CBP has been and continues to enhance its trade enforcement posture; particularly in the areas of anti-dumping and countervailing duties, the prohibition on the importation of goods manufactured by forced labor, and enforcement of intellectual property rights. And we are continuing to lean forward.

I understand that there are many concerns about what this means for trade—and the speed and predictability of the systems and processes we have built together. In the last week, I have heard from large importers and exporters some amazing statistics.

One company, a C-TPAT member and active CEE partner had 11 examinations in 90,000 shipments in fiscal year 16, and was working to improve on that number!

Another major importer briefed that they are exceeding their goal for 98% of imports being released prior to arrival. We will not slide back on these achievements.

On this topic, I'd like to highlight two things. First, trade enforcement does not change our mission to facilitate, nor does it lessen its importance. In fact, fundamental to economic security is the facilitation of trade—the vast majority of which is lawful—and this facilitation will continue to be a CBP commitment.

Many of our initiatives and programs, as highlighted by Commissioner Kerlikowske in his remarks yesterday, demonstrate this continued commitment—like the Centers of Excellence and Expertise; or the transition to ACE and the Single Window that have transformed and streamlined our processes and interactions; or our automated export manifest pilots which allows us to more accurately assess risk while avoiding delays.

Second: I want to assure you that we are not building this enforcement posture alone—we are building upon what we have already accomplished through our strong partnership with industry.

The enforcement conversation we have today will be very different than our conversation of 10 years ago. CBP, through the use of technology and innovation in our operating environment, has become more sophisticated in its approach to trade. We are much more agile in our ability to address evolving risk, challenges, and changes in the supply chain – much of which can be credited to the education and shared problem solving which has resulted from sitting down at the table with representatives of the trade community through COAC subcommittees, trade associations, the CEEs, C-TPAT, and direct connections.

In the same way, we are collaborating with the private sector to implement renewed enforcement efforts.

So we ask for your continued proactive support and partnership. You, as industry, know your supply chains inside and out. Our efforts to enforce trade laws and level the playing field will be much more effective if we have a sophisticated understanding of your process and sourcing, and who is acting in the global trading environment.

We ask for your help for enhancing our understanding—with what you're seeing and how products move throughout and between supply chains, so CBP can better focus our resources on those that aren't playing by the rules.

A strong partnership with industry in this area will further enhance CBP's ability to enforce the laws so that no one is taking advantage of the openness of our economy. Moreover, this partnership gives us the opportunity to assure the American consumer, that we are enforcing the laws and leveling the playing field to allow for fair and competitive trade, while making sure that the American consumer has access to safe, affordable products.

Advances in Available Technology

Finally of the three, a major change agent which affects both trends in e-commerce and our trade enforcement efforts, is technology. **Technology** continues to advance. And the technology available to us continues to change our options for how we facilitate trade and enforce the laws; how we interact with you, our stakeholders, as well as our partner government agencies; not to mention how we interact with the rest of the world.

A shining example of this, is the work that we have done on the United States single window. Of course, we should recognize that the single window is more than just a technological achievement. It serves as the foundation of the **coordinated border concept**: to enable the entire U.S. government to work together across departments and agencies through a coordinated approach to move imports and exports rapidly and securely across our borders. We call this "One U.S. Government" at the border.

This approach makes it easier for U.S. businesses to communicate with the various regulatory agencies, and in turn, better facilitates trade and creates efficiencies for U.S. businesses as they compete in the global economy.

But this advancement would not have been possible without the right technology.

Building the technology framework of the Single Window is a critical "necessary condition" to coordinated border management.

Going forward, we are looking to continue refining both the technology and the operational processes used to carry out the multitude of missions represented at the border. The **Border Interagency Executive Council**, a senior executive level government body tasked to improve coordination among the dozens of agencies with import and export requirements, gives us the forum to do that.

As a member of the BIEC, CBP has led the conversation to help expand the application of risk management principles that will truly result in streamlined cargo processing. We are working to bring the principles of "bi-directional education" and "co-creation" to the BIEC, by fostering conversations between the government and the private sector, and advocating for government rules and requirements which make sense in your business environment.

I look forward to continuing the important work of the BIEC and working with the interagency on further alignment to increase the transparency and the predictability of our trade processes and I will be emphasizing the value of this network to the incoming transition team.

So what's next?

This bring me to my second area of focus today: Opportunity.

Opportunity

This is where the changes we see, the progress we have made, and the foundation we have built, come together to create a launching pad for our future work.

Even as we continue to refine the capabilities of the Single Window here in the U.S., what's next is our opportunity to drive the international discussions on standards and mechanisms for harmonizing single windows across borders. But how do we do that? Our first step is to actualize our recently established vision of a "North American Single Window Approach."

We look forward to being able to share what we learn as we work with our trade and government partners in Canada and Mexico. As you heard at our North American summit this morning, we are working with our counterparts to find the best ways to facilitate the movement of cargo and enforce trade laws among our three nations. It's very easy for us to say that "our exports are going to become another country's imports." But as we dig deeper, we have to navigate through legislative and regulatory aspects, process concerns, semantic differences, and technical challenges. In this age of cyber threats, how do we do it safely, and make certain it's not a hindrance to commerce? As government agencies, and as economic operators, we have legal limitations and resource limitations. We are also looking at information sharing principles recognized by the World Customs Organization. How can we put these developing principles into practice given recent technological developments?

We need to find an innovative way to share trade data while complying with all the necessary and appropriate safeguards. And we can begin by utilizing our opportunities where we have existing alignment.

I believe that the adoption of the right technology and the right governance models to drive coordinated action between industry and government stakeholders, can truly change the face of international trade movements across borders.

How?

The **unique identifier** —for both entities and commodities.

We can solve this.

I understand that this has been an ongoing discussion for quite some time, but we are finally in a place—and we have the opportunity—to accomplish this.

When we factor in advances in technology—now is the right time to make this happen. Whether it is enabled by coordinated governance structure like ICANN and emerging technology innovations like block chains, the U.S. can work with partners and the WCO to set standards as we have historically done. We can build on the progress we have made; and continue utilizing the collaborative approaches we have built between industry and government.

This would build predictability, enable better risk management, and better facilitate cross-border movements of cargo across the world.

The unique identifier is the key to harmonizing Single Windows.

And it's the key to effectively implementing our **Mutual Recognition Arrangements** through which CBP drives unifying supply chain security and trade compliance standards between our **Customs-Trade Partnership Against Terrorism** and similar foreign programs, to better secure and facilitate global cargo trade.

Today, we have mutual recognition arrangements with 10 countries around the world plus the European Union and more are on the way. Our goal is to create conditions that will reduce the burdens on U.S. exporters in these other markets. And we want to ensure that our mutual recognition arrangements with other countries provide bi-directional benefits.

Unique identifiers for entities and commodities will help us get there and provide us with an opportunity to better secure and enhance supply chains in North America and would place us in a better position to enforce laws, protect the American economy and America's place in the global economy.

And we can solve this together, building on the progress we have made, the lessons we have learned, and the partnerships we have built.

Conclusion – Continuity: Partnership with Industry

This brings me to my closing and my last point of focus today—continuity. In particular, the continuity of our partnership with you, our trade stakeholders.

We have learned that CBP cannot do this alone. It is of paramount importance that our stakeholder partnerships remain strong and that everything we do is grounded and informed in the reality of the movement of trade through your supply chains.

All of the programs and initiatives that we have developed and executed, and that have set us up for the next step today—highlighted by Commissioner Kerlikowske yesterday, and in my remarks today—have been through collaboration and coordination with the trade community.

This coordination allows us to remain current and competitive in a changing trade environment—learning how the supply chain is changing and what is working. We will continue our engagement with the trade community—both on a tactical level and a strategic level.

This partnership is also vital to our enhanced efforts in trade enforcement. As earlier noted, your partnership, collaboration, and participation are essential to helping us to protect the economic security of the United States, of which facilitation also plays a major role. And we are committed to both enforcing the laws to keep trade fair and competitive, and to facilitate the legitimate trade we encounter at our borders.

With your help, we can continue to advance confidently. Thank you all for your continued partnership and support. I hope you find the afternoon panels valuable and I want to wish you happy holidays and safe travels.

U.S. Customs and Border Protection is the unified border agency within the Department of Homeland Security charged with the management, control and protection of our nation's borders at and between the official ports of entry. CBP is charged with keeping terrorists and terrorist weapons out of the country while enforcing hundreds of U.S. laws.

Last published:
December 6, 2016



U.S. Customs and Border Protection

Remarks by Deputy Commissioner Kevin K. McAleenan
 Name of Event: Press Conference on Trade Enforcement
 Location: Port Office at Alderwood, Columbia Room
 Date: Dec. 14, 2016- 10:00 a.m.
 Introduced by: DFO Brian Humphrey

Press: Open
 Run Time: 30 mins.
 Audience: ~20
 Format: Podium
 Q&A: Yes

Talking Points: Joint Press Event on Trade Enforcement

INTRODUCTION

- * Thank you DFO Humphrey for the kind introduction.
- * We are here today to share with you how U.S. Customs and Border Protection enforces U.S. trade laws to keep trade fair and competitive.
- * I'd like to express my appreciation to the Senate Finance Committee and its leadership—Senator Wyden, who is here with us today, and Senator Hatch—for their commitment to CBP's trade mission, without which the *Trade Facilitation and Trade Enforcement Act (TFTEA)* would not have been possible.
- * TFTEA, enacted early this year, not only formally authorized CBP for the first time since its formation in 2003, but sent clear signal that economic competitiveness and the enforcement of our trade laws, are among the country's highest priorities.
- * Consistent with the *Act*, CBP has been and continues to enhance its trade enforcement posture; particularly in the areas of antidumping and countervailing duties, the prohibition on the importation of goods manufactured by forced labor, and the enforcement of intellectual property rights.
- * **INTRODUCE SEN. WYDEN:**
 - *Thank him for his support and commitment to CBP's mission as we highlight the importance of trade enforcement, especially this time of year.*
 - *Applaud his knowledge and understanding of trade issues.*

[Turn podium over to Sen. Wyden]

[Sen. Wyden speaks, then DFO Humphrey turns the podium back over to you]

CBP Overview

- * Thank you, Senator Wyden, for highlighting those important points about trade enforcement.
- * To put some of this in context, CBP is responsible for enforcing nearly 500 U.S. trade laws and regulations on behalf of federal agencies, facilitating legitimate trade, collecting revenue, and protecting the U.S. economy and consumers from harmful imports and unfair trade practices.
- * **Fiscal Year 2016**
 - Processed **\$2.28 trillion in imports**, equating to 32.6 million entries;
 - Processed more than **27 million imported cargo containers** at U.S. ports of entry, **an increase of 3 percent** from FY2015.
 - Collected approximately **\$40.1 billion** in duties, taxes, and other fees, including more than **\$35.2 billion in duties**.
- * Here in Portland, CBP has a robust cargo presence, including:
 - **45 cargo terminals** at Portland International Airport (PDX)
 - **40 dock locations** (Terminal 6)
- * CBP executes a complex mission at the center of both national and economic security—of which our mission to facilitate legitimate trade and enforce trade laws, plays an important part.

Trade Facilitation and Trade Enforcement Act of 2015

- * As earlier noted, the Trade Facilitation and Trade Enforcement Act includes support for CBP's trade facilitation and trade enforcement efforts, allowing for an enhanced enforcement posture to protect economic security



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- * Particularly in the areas of antidumping and countervailing duties, the prohibition on the importation of goods manufactured by forced labor, and the enforcement of intellectual property rights.

INTELLECTUAL PROPERTY RIGHTS (IPR) ENFORCEMENT

- * Trade in counterfeit and pirated goods poses a significant ~~threat~~ to economic security by jeopardizing the livelihoods of our workers as well as threatening consumer health and safety.
- * TFTEA significantly strengthened CBP ability to seize or exclude products that infringe on U.S. trademarks, copyrights, and enforce exclusion and seizure orders concerning products found to infringe U.S. patents.
- * In particular, the Act enables CBP to build on our current intellectual property rights (IPR) enforcement initiatives by strengthening our collaboration efforts with our international counterparts and with IPR holders.
- * This enforcement effort is especially important during the holiday shopping season.
- * We urge consumers to be cautious when purchasing online and in brick-and-mortar stores and we regularly publish tips on how to avoid counterfeits by
 - checking online reviews about sellers and websites,
 - examining the quality of the workmanship,
 - reviewing the label and packaging for missing product information, misspellings, broken safety seals, and strange packaging.
 - Of course, if the price seems too good to be true, it probably is.
- * Some may view counterfeiting as a victimless crime, but it is destructive to our economy, and in some cases it is downright hazardous for consumers.



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* **Fiscal Year 2016:**

- CBP and HSI made over **31,000 IPR seizures**, which is a **all-time high** and a **9 percent increase** over FY 2015.
- These products would have had a retail value of more than **\$3 billion** if they were genuine.
- These seizures include items such as counterfeit pharmaceuticals and potentially dangerous counterfeit automobile and aerospace parts.
- China and Hong Kong remain the primary sources of counterfeit and pirated goods, together accounting **88 percent** of the total estimated value of all IPR seizures.
- This past September CBP began accepting online applications for recordation of unregistered copyrights, extending CBP protection and enforcement of intellectual property that is pending registration with the U.S. Copyright Office.

* **Portland-Specific:**

- Since January 2016, CBP has been running **sweep operations** at random times targeting merchandise bearing counterfeit marks.
 - Since initiation of this operation, CBP has made **19** seizures of counterfeit merchandise with **total MSRP of \$137,196**
 - Counterfeit products include Samsung phone charging kits, Disney metallic pins, Canon & Nikon remote controls, Louis Vuitton backpack, Disney DVD's, Nike and Adidas soccer apparel, Nike NFL jerseys, NFL flags, MLB jerseys, Chrome Hearts apparel, Otter Box cell phone covers.
- The Portland Air Cargo Unit participated in the San Francisco Field Office-wide **Operation Sticker Shock** (June 13 – August 31, 2016), targeting



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electrical items with a high risk for bearing counterfeit Underwriters Laboratories (UL) marks, thereby causing a potential safety hazard. And, seizures were made

- One shipment manifested as "lighting fixture" invoiced as "glass bottles" hit on Sticker Shock **182 pieces of drug paraphernalia** (glass bong, stems and bowls and metal dabbing components) were seized
- One shipment containing **5,000 LED headlamps** with two rechargeable batteries bearing an unauthorized UL mark, **5,000 sets of batteries** were manipulated out of shipment and seized for a total value of **\$7,300** and more importantly, keeping potentially hazardous rechargeable batteries out of the hands of U.S. consumers.

[REFERENCE TABLE OF DISPLAYED SEIZURES]

FORCED LABOR

- * TFTEA also **strengthened CBPs ability to enforce prohibitions** on the importation of goods made with forced labor, by repealing what is known as the "consumptive demand exemption, meaning that goods made with child, convict, or forced labor are no longer allowed into the country just to meet U.S. demand.
- * This **boosts CBP's ability to safeguard human rights** through our authority to address violations, harmonize supply chain standards, and prevent future abuses related to forced labor.
- * When information reasonably indicates that merchandise being imported, falls within the prohibition on goods made with forced labor, the Commissioner of CBP may issue a withhold release order or a WRO



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- * The orders require all ports of entry to detain merchandise manufactured by a company on which CBP has reasonable information indicating that the imported merchandise was made with forced labor.
- * This year, CBP issued **four (4) WROs** on several commodities from China—resulting in **44 detained shipments** valued at **\$8.75 million**.
- * CBP has **actively engaged** with non-governmental organizations, industry stakeholders, foreign governments and others to provide outreach concerning CBP's forced labor authorities and urging them to come forward with information regarding suspected ~~and~~ forced labor for imported goods.
- * CBP has also created a team within a **newly established Trade Enforcement Task Force** to review allegations and pursue information on forced labor.
- * In addition to establishing the **Civil Society Organization (CSO) Technical Working Group**, comprised of CBP leadership, the Department of Labor, non-governmental organizations and representatives from U.S. Immigration and Customs Enforcement.
- * In all discussions with trade stakeholders, our advice is "Know Your Supply Chain"

ANTI-DUMPING/COUNTERVAILING DUTIES (AD/CVD)

- * Likewise, CBP's enforcement of AD/CVD laws is critical to leveling the playing field for American business.
- * **Fiscal Year 2016:**
 - **\$11.2 billion** of imported goods were subject to AD/CVD.
 - CBP collected **\$1.8 billion** in AD/CVD deposits;
 - Levied **13 monetary penalties** totaling over **\$30.6 million** on importers for fraud, gross negligence, and negligence for AD/CVD violations.



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- CBP and U.S. Immigration and Customs Enforcement (ICE) seized 16 shipments with a domestic value of more than **\$5.3 million for AD/CVD violations** and CBP audits identified **\$14.7 million** in AD/CVD discrepancies with **\$4.8 million** collected to date.
- * TFTEA also gave us new authority to investigate allegations of AD/CVD evasion through enactment of the **Enforce and Protect Act (EAPA)**.
- * ***Acknowledge the key role Sen. Wyden played** authoring the Enforce and Protect Act (EAPA) portion of TFTEA – prohibiting foreign companies from laundering merchandise to evade U.S. duties.*
- * CBP's implementation of the Enforce provisions is underway and brings considerable accountability and transparency in the agency's view of allegations of evasion of AD/CVD.
- * We've also announced recently that parties can now file allegations **electronically** via our **e-allegations web portal** on CBP.gov.
- * CBP shares the Senate's commitment to ensuring that the public, the trade community, industry, and other interested parties have meaningful input in new processes. To ensure we capture this valuable feedback, the comment period for the public to provide input on CBP procedures for investigating claims of AD/CVD orders has been extended to December 20.
- * The trade community perspective is absolutely essential in ensuring effective and efficient processes for enforcement.

WILDLIFE TRAFFICKING

- * Finally, CBP's trade enforcement efforts also include combating wildlife trafficking and the illegal trading of other natural resources, in both the passenger and commercial environments.



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- * These activities can also be used to fund transnational criminal operations.
- * **Oregon clearly has taken a strong stand on this issue, with the recent passage of Measure 100** – banning the sale of products made from some of the world’s most endangered animals.
- * At the display table here today, you can see many of these ~~items~~ ^{examples} include ivory, tiger hides, and articles made from sea turtles.
- * CBP ~~in~~ ^{der}dicts wildlife and related items protected under:
 - Convention on International Trade in Endangered Species (CITES);
 - the Endangered Species Act; and
 - the Lacey Act (oldest wildlife law, enacted in 1900 and amended in 1981 to make it illegal to traffic in unlawful wildlife, plants, or fish).
- * CBP is strongly committed to supporting related criminal investigations ~~by~~ ^{by} HSI and other domestic and foreign investigative partners.
- * We also coordinate with foreign partners in building capacity to combat illicit wildlife trafficking and associated transnational organized crime.
- * At the national level, CBP coordinates with U.S. Fish and Wildlife Services and US Department of Agriculture’s Animal and Plant Health Information Services (APHIS) through the Commercial Targeting and Analysis Center (CTAC).

CONCLUSION

- * In closing, I want to thank Senator Wyden and the Senate Finance Committee for their support, as well as DFO Humphrey and the Portland Field Office.
- * I invite you to take a look at some of the interceptions ~~we~~ ^{made} at our ports of entry – and I’m happy to open things up for questions.
- * Thank you.



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¹ Effective July 1, 2017, Measure 100 will ban intrastate sales in Oregon of any product made from tigers, rhinos, elephants, lions, cheetahs, jaguars, leopards, pangolins, whales, marine turtles, sharks and rays.

C1 Remarks: AAAE/ACI-NA Legislative Conference

March 21, 2017: Luncheon keynote

- * You are the first speaker at the conference after welcome remarks
- * You will be introduced by (b) (6) Chair, ACI-NA who is also the Director of Aviation, Buffalo Niagara International Airport
- * The following day's luncheon keynote will be delivered by (b) (6) TSA

Introduction – Housekeeping

- * Thank (b) (6) for his introduction.
- * I am honored to kick off your Legislative Conference. We are critical stakeholders for one another and CBP is excited to continue our engagement with American Associations of Airport Executives (AAAE) and Airports Council International, North America (ACI-NA)
- * There is no question that we have a lot of work to do together in the coming months
- * As we take a look at where we stand, at our challenges and opportunities over the coming months, we have two constants in our shared environment:
 - o First, tremendous growth remains the central feature in international aviation to and from the United States; and a salient factor for your industry and our mission.
 - o Second, the security threat remains
- * On the first point, passenger volume continues to increase rapidly. International air travel has grown 3% since 2009, and grew at a modern record 6% from FY 2015 to FY 2016.
- * The passenger volume growth is continuing in FY 2017. From Oct 1 through January 31, 2017, 38,017,061 passengers have arrived at international airports which is a 3.8% increase over the same time period in Fiscal Year 2016.
- * This is a tremendous boon to the US economy but also a tremendous challenge to CBP as well as our travel facilitation partners.
- *
- * On the second, we have seen terrorist organizations maintain a focus on commercial aviation, from Metrojet and the attempt in Somalia, to attacks on airports in Brussels and Istanbul. We do not see this threat diminishing or the target changing.
- * While the challenges are significant, I believe that, with the partnership we have built with you and your industry, with partners like TSA, and with foreign governments, we are positioned to meet these challenges. Together, CBP and the airports represented here have done some incredible things over the past year to increase traveler convenience while enhancing security.

- * Working together, we can create an ecosystem of innovation in the travel industry that brings transformational benefit to everyone—travelers, airports, airlines, and border agencies.

Leading in Innovation, Traveler Convenience, and Security

- * Over the past several years, CBP has been successful in launching and delivering new innovations which increase both passenger convenience and security—we've done it thanks to our close partnerships with airports and airlines.
- * Here are some of the accomplishments we've had together:
 - o Technology transformation—2013–3% of travelers interacted with technology; nationally 65% with some airports even higher.
 - o Passengers use of Automated technologies like Global Entry, Automated Passport Control, and Mobile Passport control has continued to grow:
 - In Fiscal Year 2016 Global Entry use grew 27.5% over Fiscal Year 2015.
 - In Fiscal year 2016 Automated Passport Control grew 31.2% over Fiscal Year 2015.
 - In Fiscal Year 2016 Mobile Passport Control grew over 1000% from 19,990 uses to 256,200 uses.
 - o This means that amidst all this passenger volume growth, with your partnership and investment, we have been able to reduce wait times substantially, while accommodating the tremendous volumes.
- * What's striking to me is that these successes come from innovation and collaboration across government, airports, air carriers, and foreign partners. Instead of treating our different lanes and business processes as silos, we need to treat the travel process as a continuum, where the traveler moves seamlessly between our organizations.
- * That means we all need to continue to work together to innovate and be disruptive, and to make not only incremental but transformation gains in the travel environment.

Convergence of New Processes, New Opportunities, and New Technology

- * In that light, I would offer that even though we face a challenging environment, we also in a unique moment where we see a convergence of policy and program opportunities like Preclearance expansion and technology innovations—like real-time, affordable, facial biometrics cameras and cloud architecture—which can fuel travel transformation.
- * Add into this the enthusiasm and support of leaders such as yourselves and we are collectively in a position to make significant improvements to the traveler experience.
- * At CBP, we've been busy continuing to innovate:
 - o We are making substantial progress in biometric entry/exit. Recent pilots have demonstrated technological feasibility and show a path towards implementation.
 - o Our Preclearance program continues to grow. In addition to the fifteen locations we have operating in six countries today, another eleven airports expressed interest in our latest round of open season.

- Working through our Silicon Valley Initiative, we started working directly with startups to leverage their disruptive way of thinking and their cutting edge technology to apply to the CBP mission, including travel innovation
- * There have been some big things happenings, so talk about these individually.

Biometric Entry-Exit

- * CBP continues to drive forward on our Biometric Entry-Exit mandate. In addition to meeting the mandate, we want to leverage the technology we are developing to utilize biometrics as a vehicle for transforming how passengers interact with airports, airlines, and CBP – improving both convenience and security.
- * As you all know, CBP has a standard set of information about the traveler, from the airlines, we have our internal government holding. Our goal is to definitively confirm a traveler's identity in a secure manner, and send them on the way. Biometrics will facilitate this process.
- * CBP is building the ecosystem to drive automation and innovation off of our biometric platform for a secure and efficient traveler experience throughout the entire airport.
- * Before we can build a transformational platform, we need to make sure the technology is ready for prime time. To that end, CBP has undertaken multiple biometric exit tests since 2013 to develop a successful, comprehensive concept of operations for biometric exit.
 - Those pilots have led to an operational test at Atlanta Hartsfield-Jackson International Airport.
 - The pilot in Atlanta has demonstrated that there have been no negative impacts to aircraft boarding times, government photos are of good enough quality to perform facial recognition with high match rates, and that travelers generally are accepting of facial recognition.
- * The lessons learned and the best practices identified through the test in Atlanta are still being fully analyzed. However, we anticipate the results informing the larger biometric rollout and providing significant opportunity to further facilitate CBP processes in the inbound international arrival environment.
 - Based on the preliminary successes in Atlanta, OFO is accelerating the deployment of our internal systems, including Traveler Verification Service.
- * We also are not forgetting the ENTRY in Entry/Exit. CBP is also working to take the advances we have made in the exit environment and translating them into our international arrivals, improving the entry process.
 - For example, we can confirm a person's travel records using the same facial recognition technology employed in the TVS in Atlanta. This means we can pursue solutions that would mean travelers won't have to pull out a passport or visa when moving through CBP admission processes; your face will tell us who you are and we can speed your arrival processing.
 - Using this approach, we want to start with our flagship trusted traveler program, Global Entry.
 - We are visualizing a next generation Global Entry process that moves away from kiosks. Once the traveler arrives at CBP's inspection area and collects baggage, Global Entry members would exit the FIS from a biometrically controlled egress or

- gate. This ensures that Global Entry passengers still have the most secure efficient processes navigating through CBP inspectional areas
 - We want to provide travelers with world class wayfinding resources so navigating from the airplane to your inspection lane is simple and as seamless as possible.
- * What we want to do is take these experiences and harmonize and standardize them across the travel/airport ecosystem. We want it to be a process which is intuitive and seamless for all travelers that are interacting with CBP no matter where you encounter us in the world.
- * To do this we need to integrate all of the efforts currently underway, both by government and by air carriers and airports. We do not want to be in a position where the solutions we are all seeking are not interoperable this would only hamper our efforts to simultaneously enhance security and the traveler experience.

Preclearance

- * Now let's talk about another core program that facilitates both traveler experience and security: Preclearance.
- * The Preclearance program is a vital element of our seamless travel initiatives. Preclearance results in numerous benefits to the traveler, to the host airport, and to CBP
- * Preclearance makes the travel experience more predictable. For example, precleared passengers in Dublin spend nearly 50% less time waiting for inspection than they would driving at a US port of entry
- * Having a preclearance location also allows CBP to deploy various traveler facilitation technologies—such as APCs, GE kiosks, and MPCs at the port of departure, further enhancing traveler experience
- * Preclearance has direct benefits to LPOs, as it has the potential to increase capacity and growth opportunities for airports and air carriers in the U.S. and abroad, while improving the passenger experience.
- * Our preclearance program continues to grow. We currently have active operations at 15 airports in 6 countries, staffed by over 600 CBP officers and agricultural specialists
- * In FY16, 15.3% of all commercial air passengers or about 18 million air travelers arrived to the US precleared
- * In May 2015, CBP announced the selection of 10 foreign airports, in nine countries, for preclearance expansion. The following year, in November 2016, we announced 11 new foreign airports, in eight additional countries, selected for further possible expansion
- * We appreciated the strong support from our US airports for the potential for preclearance expansion and the increased options for facility utilization it could bring on the domestic side from our survey last year.
- * We look forward to continuing to work toward expanding preclearance operations in 2017

Innovation Efforts

- * Over the past year, CBP has been focused heavily on engaging with the technology innovation community—i.e., startup companies—and helping bring them into the CBP mission space to see where they can help bring new technology and new perspective to our challenges

- * Working in a wide variety of technology spaces, CBP has brought on seven startup companies- with more in the pipeline- to drive innovation within CBP- on topics such as passenger processing at remote ports of entry, small drones to enhance border patrol operations, and improved targeting products for our international targeting platform, GTAS
- * Next, we want to utilize our Silicon Valley program to make big impacts on the travel and tourism environment. Later this year we will be announcing a series of funding opportunities for startup companies to help us building seamless travel technologies
- * These funding opportunities will be woven into our key programs such as biometric entry/exit and trusted traveler programs, building on our already robust innovation efforts
- * The real key to success, however, will be to partner these startups with airports such as yourselves and the airlines, to create opportunities for piloting, testing, and deployment
- * We don't want to be the middleman- we want to fund startups to develop potentially transformational technologies- pair them up with airports and airlines and then get out of the way
- * We hope to build a coalition in 2017 of airports and airlines who are interested in working with us to embrace innovation and drive new technologies that benefit all of us through this program
- * Collectively, we envision this creating an innovation ecosystem with new technologies, funding to try new things, and pilot and partnering opportunities to spur adoption

Being a Good Business Partner

- * As I've said multiple times- we cannot do this without you. And that means we need to be a good business partner. We understand that you operate in a world of customer satisfaction, profit and loss, and boards of directors. We need to make sure we are giving you the tools to succeed.
- * The Airport Technical Design Standards are in final review within CBP, with input from many of the airports present today. CBP appreciates your help and we hope to have the new version published soon. Critically, it will capture the innovations we have jointly worked on to date, and provide flexibility for tailoring to your unique traffic and facility needs.
- * Hiring – I know this continues to be a topic of concern. Right now the top 20 airports by volume are staffed at 97% of the authorized level. CBP remains committed to ensuring staffing needs are met and are working with the Administration and Congress on several policy initiatives and incentives to give our hiring and retention a boost.

Conclusion

- * I believe that the timing remains ideal for transformational innovation in the travel experience. We have the ideas, we have some meaningful funding, and we have the partnerships.
- * The challenge that we all must take on is using this opportunity and momentum to do something big and different- rather than settling for incremental changes which are good enough. Together I think we can accomplish more, and faster

- * The traveling public— the public we serve, and the public that are your customers is a huge, vocal community. All of us want them to have the best travel experiences possible whether it's a trip for business or pleasure. We want them to have a safe and seamless journey through our airports.
- * If there's only one thing to leave you with today it's that for us to collectively succeed, we must work together. We must view the traveler experience as a continuum, not a series of silos. Working together, we can do far more to innovate and improve traveler experience than working apart.
- * If you come to us with an idea, we will consider it.
- * I recognize that means that we need to continue to position ourselves as an entrepreneurial and innovative partner not a typical government bureaucracy, and I hope you all will hold us to that commitment, and use that partnership to spur innovation, opportunity, and collaboration.



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Remarks by Acting Commissioner Kevin K. McAleenan
Name of Event: NCBFAA Annual Conference
Location: Hilton New Orleans Riverside, St. James Room,
Date: April 5, 2017, 4:00– 5:00 p.m.
Introduced by: (b) (6) NCBFAA President

Press: Open
Run Time: 20-25 mins.
Audience: ~ 600
Format: Podium
Q&A: Yes

National Customs Brokers and Freight Forwarders Association Closing Remarks

Introduction

Thank you. I'm delighted to be here in New Orleans for the National Customs Brokers and Freight Forwarders Association, and I want to thank you for inviting me to close out what I'm sure has been an informative and interesting couple of days.

Before I begin, allow me to thank (b) (6) and all of you, the association's members. I also want to recognize the CBP leaders and subject matter experts who have so ably represented the agency this week— especially Executive Assistant Commissioner **Brenda Smith** of our Office of Trade and **Rich DiNucci**, Executive Director of Cargo and Conveyance Security for our Office of Field Operations.

So here we are in New Orleans, one of the world's busiest seaports. It's worth noting that more than **90 percent** of global trade moves by ship.

From the dawn of seafaring, navigators have had their eye on the horizon. For all of us here today, we see the same shared horizon, and we're working closely together on mapping out the best strategy to continue moving towards it.

So, today I want to talk about where we are and ~~what~~ that horizon. In terms of where we are now, the compass points to continuity. We remain unerringly **on course**, committed to **facilitation** and **enforcement**. This results in a stronger and more efficient supply chain, and that's essential to our economic security.

I will then address our commitment to leveling the playing field and how facilitation and enforcement enter into that. Finally, I'll talk briefly about what's on the horizon and that involves identifying and addressing new and emerging trends, challenges, and opportunities.



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That's no easy task, given the unpredictable winds and currents that we have to weave into our calculations variables ranging from a dizzying rate of technological advancement and changing policy landmarks to shifting consumer behavior. So, let's dig a little deeper into these ideas.

Where We Are Now: Staying the Course Together

We've forged invaluable partnerships with you and your companies to try to make sure that you get what you want: clear and consistent rules, efficient processes, a proactive, accessible and responsive government and that we get what we want: success in securing the supply chain, enforcing the rule and protecting our borders without being a bottleneck or impediment to lawful commerce.

We secure nearly **\$4 trillion** in international trade every year. And we interface with hundreds of carriers and airports, **10,000 importers**, four dozen partner government agencies, and two dozen international partners.



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We can't – and we won't – chart this course alone. We absolutely rely on your input. The Commercial Customs Operations Advisory Committee, or **COAC**, is essential.. we really rely on people like:

- (b) (6) (Alba Wheels Up International)
- (b) (6) (FedEx Trade Networks)
- (b) (6) (A.N. Deringer Inc.)
- (b) (6) (George S. Bush & Co. Inc.)
- (b) (6) (Expeditors International of Washington, Inc.)

Their representation of the broker community in **COAC** their unflinching candor, valuable expertise, and willingness to share their perspectives.. have helped keep us on course.

Another important group is the Border Interagency Executive Council, or **BIEC**. The Council, established by an Executive Order three years ago, is a senior executive level government body tasked to improve coordination among the dozens of agencies with import and export requirements. And the BIEC has been instrumental in streamlining the import/export process for American businesses.



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By steering the implementation of the International Trade Data System (ITDS) and helping to facilitate the deployment of the Automated Commercial Environment “ACE,” or the “Single Window” – the efforts of the BIEC are truly transforming trade.

Naturally, “staying the course” requires a keen awareness of changes in the winds and currents **And that means paying close attention to the policy objectives of the new Administration**

On January 30, the President signed an Executive Order *Reducing Regulation and Controlling Regulatory Costs*. This EO states that “for every one new regulation issued, at least two prior regulations be identified for elimination” Add one, subtract two

A month later, on February 28, the President signed an EO *Enforcing the Regulatory Reform Agenda*. This order instructs each federal agency



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to designate a Regulatory Reform Officer and set up a Regulatory Reform Task Force with the goal of evaluating existing regulations and making recommendations on whether it makes sense to repeal them, modify, or replace them.

These EOs are important for the broker community. After ~~broker~~ **regulations** have been the subject of CBP and industry scrutiny for more than five years now

CBP is currently drafting the Notice of Proposed Rulemaking ~~with~~ consideration of the ~~37~~ **37** recommendations by COAC's Role of the Broker Working Group. The Rulemaking key proposals include

- Transitioning from district permits to a single, national permit;
- Conducting Responsible Supervision and Control in the virtual environment;
- Maintaining U.S. Customs business within U.S. Customs territory;
- The Power of Attorney must be between broker and importer ~~and~~
- Regulations for cybersecurity and records retention.



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The NRPM addressing the bi-annual automated customs broker exam was split off from this Rulemaking, and it was published last fall. CBP has drafted the Final Rule, and it is now pending DHS review.

Once again, collaboration was key. CBP worked closely with the broker educator community, providing a sample automated exam for troubleshooting exam taking process and navigation tools.

COAC's educator group provided specific comments and overwhelmingly agreed that the automated exam platform was well done, that functionality is straightforward and that the exam is easy to navigate. CBP is working toward delivering the first automated exam in October 2017

We're working with DHS to address the two new Executive Orders.

We understand that companies need to be nimble to be competitive that unnecessary regulations increase costs and slow down innovation.



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On the other hand, we firmly believe that certain regulations are essential to preserving and promoting that level playing field I mentioned earlier.

Leveling the Playing Field: Facilitation and Enforcement

And now, turning to that level playing field, nothing can or will alter our course in terms of our **dual mission of facilitation and enforcement**

Make no mistake about it, these two goals reinforce each other in several critical ways.

The Trade Facilitation and Trade Enforcement Act, **TFTEA**,” signed into law a year ago, certainly and crucially recognized that fact.

In terms of enforcement CBP has accomplished the following:

- Publication of an Interim Final Rule (IFR) to implement the Enforce and Protect Act (EAPA)
- Last October, CBP launched its **EAPA** investigation, focusing on the transshipment of certain wire hangers from China through



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Thailand— products that evade the antidumping duties on steel hangers from China. (Final determination is due August 7, 2017.

- Implemented electronic filing for EAP A allegations through its revised online e-Allegations web portal.
- Establishment of a Task Force to improve CBP ability to detect and disrupt emerging trade evasion schemes and interdict products derived from forced labor.
- Issued Withhold Release Orders on several commodities from China, ranging from soda ash, calcium chloride, and potassium products to Stevia and its derivatives and peeled garlic.
- In FY 2016, CBP enforced **364 AD/CVD Orders** covering around **150** products, and CBP collected **\$1.5 billion** in AD/CVD deposits.
- And in FY 2016, CBP and ICE seized a record number of shipments containing goods that violated **IPR** – more than **31,000** shipments— a **9 percent increase from FY 2015**

We continue to work on determining risk assessment for bonding fair for legitimate trade, reasonable for sureties, and defeats fraud and eliminates the abuses AD/CVD orders.



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We are also establishing a strategy for E-Commerce and adapting to emerging risks related to intellectual property enforcement. And we're working with brokers to determine the best way to validate new importer identities and reduce the risk for CBP, filers, and sureties.

And we have recommended to Congress that standardizing Power of Attorney validation is the most timely and effective method for complying with TFTEA's section on Customs Broker Identification of Importers.

Improved knowledge of importer identity may enhance our ability to assess risk, mitigate the effects of commercial fraud, and enforce trade laws. By requiring the validation of a common set of data points within the POA process, CBP will be leveling the playing field between brokers and eliminating a reason for 'broker shopping' while ensuring the authenticity of those data fields. Our Regulations and Rulings office is drafting an NPRM for public comment on this standard criteria.



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[PLACEHOLDER FOR TRADE EXECUTIVE ORDER IF SIGNED]

On the facilitation side, it's important to note that improvements in facilitation actually help U.S. companies maintain and improve their competitive posture on the world stage and that's good for your businesses.

First, let me offer a brief update on where we are with ACE. More than **250 government forms have been automated**. At this time, CBP has completed **six of the seven** primary deployments established to achieve core trade processing in ACE.

One hundred percent of import manifest, cargo release processing, and export processing functionality has been deployed in ACE. In addition, more than **85 percent** of post release capabilities are available in ACE.



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Based on stakeholder feedback and the complexity of ongoing testing, CBP announced in January the postponement of the last primary deployment to deliver post core trade processing in ACE. This includes post-release capabilities liquidation, reconciliation, drawback and collections. We are aggressively working on the integration and regression testing needed for the success of this deployment.

The rescheduled deployment date will be published in a Federal Register Notice at least **30 days in advance** of the actual deployment/mandatory transition.

We also continue to work closely with our Partner Government Agencies, or PGAs. On February 7, CBP posted an updated PGA Filing Status as well as PGA forms for both import and export to our website, CBP.gov



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Second CBP's **10 Centers of Excellence and Expertise** continue to play an important role in leveling the playing field by strategically enforcing commercial import laws while facilitating the flow of legitimate trade.

The Centers have developed cross-education and collaborative efforts with the trade community that include industry, company, importer, and broker meetings which are designed to share information between CBP and the trade community.

The Los Angeles-based **Electronics Center**, for example, has participated in **19** Intellectual Property Rights training sessions, **31** trade outreach events, and **14** cross-educational events. And the Houston-based **Petroleum, Natural Gas and Minerals Center** has seen a dramatic decrease in the number of liquidated damages issued, which is a direct result of cross-education sessions held with brokers and importers to increase compliance.



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CBP provides information on procedures, regulatory requirements, and import processes to increase compliance while the trade in turn, shares common business practices within their industry and potential areas of risk that may impact legitimate trade in ways that can threaten our economic security as well as our national security.

For example, the Detroit-based **Automotive and Aerospace Center**, in partnership with Homeland Security Investigations and the Department of Commerce, is supporting an investigation into stolen merchandise being sold to fund terrorist organizations.

Brokers and filers are critical to this collaborative effort, providing valuable insights into account level processing and that facilitates trade, reduces transaction costs, increases uniformity and consistency and—yes—**levels the playing field**

Finally, no discussion of trade facilitation would be complete without mentioning CBPs **Trusted Trader** pilot. Clearly, trade-based threats



and import safety violations pose significant harm to national and economic security.

Last June, we concluded Phase I of the pilot, and CBP approved seven of the nine participants. In July, we launched Phase II, and the primary focus on this phase will evaluate the implementation of incentives and develop program measures. In February, CBP hosted a 2-day meeting in Washington, DC with the seven companies, and ~~we~~ continue to consider their recommendations and work with them to develop new concepts.

Thanks to the Trusted Trader Subcommittee COAC, we're developing a Trade Compliance Program to replace the current Importer Self-Assessment program based on the outcome of the pilot evaluation.

And we are working through the BIE to provide our PGAs with a tangible opportunity to incorporate their own trusted trader programs into a larger framework. We believe that this integration, at least, coordination— will result in.



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- enhanced efficiencies, a reduction in government-wide resources expenditures, enhanced information sharing, and
- an integrated platform to support both Trade and CBP objectives in facilitating international trade

What's on the Horizon: Proactive Engagement/Innovative Solutions

So that's a look at where we are right now, and how CBP is striving to level the playing field. What's on the horizon?

For you and your companies, the biggest sea change undoubtedly been E-commerce. Coupled with economic globalization, E-commerce lets business of all sizes to compete around the world.

For the fourth quarter of 2016, U.S. retail E-commerce sales reached nearly **\$103 billion**.¹ Worldwide, E-commerce sales are expected to

¹ U.S. Census Bureau, Department of Commerce, Quarterly Retail E-commerce Sales, Feb. 17, 2017.
<https://www.census.gov/retail/mrts/data/data/courport.pdf>



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reach over **\$4 trillion by 2020.**²

One of the most discussed issues around e-commerce remains The Trade Facilitation and Trade Enforcement Act change to the *de minimis* rule. *De minimis* means “trivial things” in Latin, but the rule is anything but trivial. TFTEA raised the *de minimis* value, or thresholds of value below which Customs does not collect duty or taxes, from a \$200 threshold to \$800 USD.

To address the various complexities resulting from “this change”, last September CBP formed an E-Commerce and Small Business Branch within our Office of Trade. COAC also recently created an E-Commerce Working Group within its Trade Modernization Subcommittee. This Branch is engaging with stakeholders, consumers, PGAs, and in international forums like the World Customs Organization

² “Worldwide Retail Ecommerce Sales Will Reach \$1.915 Trillion This Year,” eMarketer, Aug. 22, 2016, <https://www.emarketer.com/Article/Worldwide-Retail-Ecommerce-Sales-Will-Reach-1915-Trillion-This-Year/1014369>



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CBP believes innovation and technology is critical for trade facilitation and enforcement. Technology, of course, is one of the big drivers behind E-commerce. It's making consumer's shopping experiences so much easier.

But technology also has a flip side. We need to find an innovative way to share trade data while complying with all the necessary and appropriate safeguards. How can we share information with our industry stakeholders and our partner government agencies in a safe, secure manner, while still facilitating lawful trade?

One approach is the **"unique identifier"** – for both entities and commodities. This is a tremendous opportunity, and we can make it happen, together.

Think of the possibilities. The unique identifier can:

- build predictability



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- enable better risk management
- better facilitate cross-border movements of cargo
- help harmonize Single Windows across the world and
- strengthen our **Mutual Recognition Arrangements** through which CBP drives unifying supply chain security and trade compliance standards between C-TPAT and similar foreign programs

Block chain technology holds a lot of promise in this regard, and we think it may have significant applications to support a more transparent supply chain for both industries and governments and that will improve both our facilitation efforts and the security of the supply chain.

I, along with key CBP staff from the Office of Trade Office of Field Operations, and our Office of Information Technology, actively learning more about blockchain technology and some of the cutting edge pilots being carried out by Dutch Customs, Maersk, Walmart, and others. We look forward to working with brokers and industry on this



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innovative technology and other that can lead to a more efficient, effective, and safe supply chain

Conclusion

I want to thank you again for taking this journey with us. We clearly see the horizon— and our destination is a shared one. We want the same things.

- We want a level playing field.
- We want consistent rules and regulations
- We want a secure, efficient supply chain.

We've accomplished a lot, and many of the things we have worked so hard for, together, are well within reach. The horizon is closer than ever. And we can get there together, building on the progress we have made, the lessons we have learned, and the partnerships we've built.

I hope you've had a chance to visit CBP booth here— Booth Number 23. And I look forward to seeing many of you next month— May 24-25 — in Scottsdale, Arizona, for the U.S. West Coast Trade Symposium.



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I'd like to thank you all for inviting me and now I'm happy to take your questions.

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Remarks by Acting Commissioner Kevin K. McAleenan
Name of Event: CBP Valor Memorial Ceremony
Location: Woodrow Wilson Plaza, RRB, CBP HQ, DC
Date: May 16, 2017– 10:00 a.m.
Introduced by: CBP Master of Ceremonies

Press: Open
Run Time: ~ 90mins.
Audience: ~ 300
Format: Podium
Q&A: No

Commissioner's Remarks – Valor Memorial Ceremony

Introduction

Good morning and welcome. Thank you for joining us for the U.S. Customs and Border Protection 2017 Valor Memorial and Wreath Laying Ceremony.

Each year, we gather to honor our fallen agents and officers. It is also where we stand with our colleagues in uniform to mark National Police Week, honoring all law enforcement personnel who have given their lives in defense of our great nation.

This year, more family members are attending than in any previous year, reflecting the profound significance of this observance to CBP, its employees, and the families and friends of the fallen.

We are honored to have with us today the Secretary of the Department of Homeland Security General John Kelly and the Deputy Secretary the Honorable Elaine Duke. I would like to thank both of you for joining us today.

I am also pleased to welcome former Secretary of Homeland Security Michael Chertoff, as well as former Acting Commissioners Jason Ahern and David Aguilar as well as Brandon Judd, president of the National Border Patrol Council

[State and Local]

I also want to thank our foreign partners for joining us here today.

Many of you have come from halfway around the world to stand with us. Your participation underscores that the grief we share for these tragic losses transcend our national borders and boundaries. Thank you for being here today.



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Mr. Secretary, from your very first moment taking the helm of Homeland Security through your actions and your words your presence and your time you have demonstrated and conveyed tremendous support to our frontline our agents, officers, specialists and support personnel -- who work, tirelessly, often in dangerous and difficult conditions, to protect our border and homeland each day. Your manifest commitment to the mission and people of our agency has been deeply appreciated. We are grateful for your participation in our memorial here today and we look forward to your remarks:

Secretary John Kelly

[S1 delivers his remarks]



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Thank you, Secretary Kelly

[pause]

The Four Fallen

Our most solemn duty in law enforcement is when we must remember our fallen, and honor their service and their family's sacrifice. Today, we add four names to CBP's Valor Memorial. Let me tell you about each of them:

Border Patrol Agent Javier Vega, Jr. was killed on August 3, 2014 in Santa Monica, Texas. Agent Vega—also known as “Harvey” to his friends—was enjoying a fishing trip with his family.

He was fatally shot as he attempted to prevent a robbery in progress. His father was also seriously wounded in the attack and he is here with us today.



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A proud veteran of the United States Marine Corps, Agent Vega entered on duty with the U.S. Border Patrol in February 2008 and was assigned to the Kingsville Station as a canine handler, a job he loved. During the last years of his life, Harvey became an avid runner and cyclist, and he was even planning on competing in a triathlon.

We thank his wife, (b) (6) and his three sons (b) (6) known as (b) (6) well as his parents, (b) (6) and (b) (6).

[pause]

Border Patrol Agent José D. Barraza – known as Joey – died on April 18, 2016 in a two-vehicle accident in El Paso, Texas. His faithful canine partner, Vino, survived.

Agent Barraza entered on duty in August 2008 and was assigned to the Sierra Blanca Station of the Border Patrol's Big Bend Sector.



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Joey was a passionate fan of the Green Bay Packers and he enjoyed playing softball. Joining us today from Agent Barraz's family are

- o His wife (b) (6)
- o his two sons (b) (6)
- o his mother, (b) (6)
- o his two sisters (b) (6) and
- o his brother (b) (6)

We also welcome

- o Agent Barraz's aunt, (b) (6)
- o his sister-in-law, (b) (6)
- o his nieces, (b) (6) and
- o their friend, (b) (6)

[pause]

Border Patrol Agent Manuel A. Alvarez died in a motorcycle accident on August 11, 2016 while on patrol near Casa Grande, Arizona.

Agent Alvarez— "Manny"— entered on duty in July 2003, and was



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assigned to the Casa Grande Station as a member of the motorcycle unit.

He was an accomplished runner and participated in numerous races and other athletic competitions, including the “Tough Mudder” and “Rugged Maniac” events.

And Manny cultivated a talent for drawing. No matter the endeavor, he always gave his all.

Joining us here today are many of Manny’s loved ones:

- o his wife, (b) (6)
- o his daughters (b) (6)
- (b) (6)
- o his sons, (b) (6)
- o his parents, (b) (6)
- o his two sisters, (b) (6)
- o his one-year-old niece, (b) (6)

[pause]



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Border Patrol Agent David Gomez suffered a heart attack on

November 15, 2016 while on bicycle patrol duty in rugged terrain near El Paso, Texas. He died the following day at a local hospital.

Agent Gomez entered on duty February 1996 and was assigned to the El Paso Station as a member of the bicycle patrol unit. A avid cyclist, David loved the outdoors and enjoyed camping and hiking. He had the opportunity to meet his fellow agents on the bike patrol and his hometown friends and quickly learned that David was an inspiration to all who knew him.

We are honored to have his family with us today

- o Agent Gomez's wife, (b) (6)
- o his son, (b) (6)
- o his two daughters (b) (6)



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- (b) (6) boyfriend (b) (6)
- Agent Gomez's brothers
 - (b) (6) and
 - (b) (6) and
- his mother-in-law, (b) (6)
- his sister-in-law, (b) (6) and nephew (b) (6)

[pause]

Family and Duty

I have just described four remarkable men who died in the line of duty wearing their beloved green uniforms of the U.S. Border Patrol

Their loss is incredibly painful to all of us – and absolutely devastating to their families. Family was everything to these brave and dedicated agents. Their absence is felt most acutely by their loved ones, and will be for countless years to come.

For their colleagues, it is the absence of their smile, their laughter and their jokes..their advice and opinions. and their steady and reliable presence



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We are deeply honored to have many members of their families here today. And we are also grateful to our returning families more than have ever attended before. Even in your own grief, you are providing strength and solace to the families of Agents Vega, Barraza, Gomez, and Alvarez. Shielding and caring for them as only those who understand their pain can.

[pause]

Today, I also want to recognize the family of **Border Patrol Agent Brian Terry**, who was murdered in December 2010 near Rio Rico, Arizona, after encountering five bandits.

We are honored to have members of Agent Terry's family with us here today:

- o Brian's mother, (b) (6)
- o his sister, (b) (6) and
- o his nieces, (b) (6)



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Last month, a team of Mexican Marines captured the fourth of the five bandits who murdered Agent Terry. The capture of this suspect was truly an inter-agency and international effort involving CBP's U.S. Border Patrol and our Air and Marine Operations, the U.S. Marshals Service, and the Mexican government.

I recently returned from Mexico where I had a chance sit down and thank our team who led this capture. The lead intelligence analyst told me that he woke up every morning thinking about Agent Terry's family, and that he came to work each day committed to finding and capturing the suspects.

There is one remaining suspect, and I have no doubt he will be brought to justice.

CBP will never forget.. and our nation will never forget.



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Finally, I want to recognize another family— one whose sacrifice marks not just one, but **two generations**

On March 6, 1923 during the height of Prohibition, **Customs Inspector James A. Wallen** was stationed at Del Rio on the Texas-Mexico border. He was shot and killed after confronting a rum-runner who was trying to smuggle illegal liquor.

Nearly **61** years later, Inspector Wallen's **grandson Customs Inspector Richard “Mack” Latham**, following his grandfather's example was also killed in the line of duty.

On January 27, 1984, four men who had robbed a jewelry store in Mexico, and crossed the Del Rio International Bridge in a van.



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When Inspector Latham searched their vehicle and found the stolen items, the thieves kidnapped him at gunpoint and shot and killed him the next day near the same spot where his grandfather had died

Several members of this remarkable family, are with us here today. His sisters— Inspector Wallen's grandchildren and first cousins to Inspector Latham— are here today: (b) (6) and (b) (6) (b) (6) as well as his great granddaughter, (b) (6)

Customs Inspector James Wallen and Customs Inspector Richard Mack Latham. **Two brave men. One family. Forever part of our family.**

And, their family continues their legacy of service to count Border Patrol Agent (b) (6), (b) (7)(C) another descendant of James Wallen could not be here today because he is protecting our borders in (b)(6);(b)(7)(C) (b)(6);(b)(7)(C)



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This family's example of selfless resolve and steadfast dedication to our nation—devotion that spans decades and generations inspires all of us to continue onward in our sworn mission of service to country.

Conclusion

Ladies and gentlemen, today we led Agents Vega, Barraza, Alvarez, and Gomez to the Valor Memorial. And we come together today to salute all those CBP employees who have lost lives in the line of duty. They embodied "honor first." So let us forever honor them – and their families – with our service.

The men and women who swear an oath to protect our homeland and have a passion for what they do it's who they are. They go towards danger, as Agent Vega did that August day in 2014, trying to right a wrong.. protecting others.

They put on their uniforms every day and kiss families' goodbye, not sure of what the next shift will bring. They know the dangers.



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And they go on..they move forward.. for all of us, for our nation

Let us remember and respect, and be renewed in our spirit
strength by their example.

Thank you.

NOTE: Following your remarks, you take your seat.

Then the MC will say: *"Ladies and Gentlemen, please stand for the Honors portion of the ceremony."*



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(b) (5)

(b) (5)



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Remarks by Acting Commissioner Kevin K. McAleenan
Name of Event: West Coast Trade Symposium
Location: Double Tree Resort, Scottsdale, AZ
Date: May 24, 2017– 8:05 a.m.
Introduced by: Valarie Neuhart, Office of Trade Relations

Press: Open
Run Time: 20 mins.
Audience: ~ 500
Format: Podium
Q&A: No

2017 West Coast Trade Symposium Looking Ahead Together: What's Next for Trade?

On-Stage Interview with
Vincent Iacopella

Executive Vice President Growth and Strategy, Wheels Up International Inc.

Question

The President has announced his intention to nominate you to be CBP Commissioner. You've basically trained for years for this top leadership post; what are your thoughts about taking the helm?

Answer/Talking Pts.

- * Humbled to be nominated, share our employees' passion for the mission
 - * Excellent examples set by previous Commissioners
 - * Exciting time: new Administration, new technologies
-

Question

Our symposium theme this year is "Looking Ahead Together: What's Next for Trade?" What will be your top trade priorities?

Answer/Talking Pts.

- * Reducing supply chain barriers to facilitate trade
 - * Accommodating dynamic nature of supply chain by leveraging new technologies to assist with risk-management, targeting, screening, etc.
 - * Steadfast on primary border security mission to protect homeland
- Example of new initiative: On June 5, CBP is rolling out an **IPR campaign** at select airports to educate travelers about how counterfeits hurt our economy and pose potential hazards to consumers.
-

Question

The new Administration has issued several Executive Orders dealing with trade. Can you describe how CBP is complying with these Orders and what the potential impact will be for trade stakeholders?

Answer/Talking Pts.

* Trade

- March 31: EO establishing enhanced collection and enforcement of antidumping and countervailing duties and other violations of trade and customs laws.
- EO aligns with CBP's operational approach to combating U.S. trade violations, as it establishes enhanced measures to collect duties and a heightened enforcement posture for addressing trade violations that threaten the safety and economic security of the United States.
- EO correctly noted that importers who unlawfully evade AD/CVD duties expose U.S. employers to unfair competition and deprive the Federal government of lawful revenue.
- June 29 deadline for CBP plans to:
 - Require high-risk importers to provide security through bonds; and
 - Protect against counterfeit imports including sharing info about voluntarily abandoned merchandise with IPR holder.
- Pursuing more aggressive bonding strategy, and support the transition to a prospective AD/CVD system.
- We're eager to narrow the **\$2.8 billion** revenue gap of uncollected AD/CVD.

* Regulatory Reform

- Jan 30: EO calls for "Reducing Regulation and Controlling Regulatory Costs".
- Instructs agencies to ~~repeal~~ or amend 2 regulatory actions for every new significant regulation adopted, and that the total incremental cost of all new regulations, including the costs associated with the repealed or amended regulatory actions, be no greater than zero
- While we recognize that overly restrictive regulations can hinder efficiency and that the new Administration is taking this deregulatory initiative very seriously, CBP still needs to move forward with regulations to comply with recently enacted statutes like TFEA

the recently signed Executive Order regarding trade enforcement, especially as it pertains to the enforcement of CVD.

- CBP is thus working on paths forward to meet our mission goals with the least amount of public burden.

Question

As you've said, CBP's primary mission remains border security and protecting our homeland against terrorists and weapons of terror. At the same time, CBP has a responsibility to make sure that lawful travel and trade aren't slowed down. How do you handle this delicate balancing act?

Answer/Talking Pts.

- * Stakes are tremendously high:
 - **27M** cargo containers/yr. nearly 1 container/sec.
 - **\$2.3 trillion** admitted in FY16
- * Must
 - leverage emerging technology,
 - refine risk-management and analytical techniques to target the right shipments
 - Partnerships:
 - Cross-border inspections (e.g., Unified Cargo Inspection at Nogales)
 - Work with other US agencies and foreign counterparts to obtain the best intel – including Border Interagency Executive Council (BIEC), WCO, SAT, CBSA, etc.
 - External engagement with industry stakeholders is key (COAC)

Question

You've spoken quite a bit about how technology and innovation play a tremendous role in the evolution of the global supply chains as well as in CBP's facilitation and enforcement efforts. Can you provide some examples?

Answer/Talking Pts.

* E-Commerce— sales could to **\$4 trillion by 2020**

- Section 321 of TFEA changed the *de minimis* rule, raising the *de minimis* value, or thresholds of value below which Customs does not collect duty or taxes, from **\$200** threshold to **\$800** USD. Goal: streamline and facilitate the movement of trade
- CBP is working with the industry to develop an electronic method for clearing Section 321 shipments in addition to the currently available manifest process;
- It is critical to identify trade responsibility and liability, define data elements, and determine how trade can manage their liability.
- CBP has formed an E-Commerce and Small Business Branch within our Office of Trade.

* Blockchain

- Provides levels of trust required to capture ~~and~~ ^{document} essential transaction activity, store documents, and share encrypted legal and financial records
- DHS' Science and technology Directorate has awarded multiple grants to **29** companies working on blockchain
- Lockheed Martin recently became the first U.S. defense contractor to incorporate blockchain into its product system development
- Other countries—ranging from Russia to Australia—are also exploring blockchain.

* Unique Identifier

Could help build predictability and better risk management, as well as facilitate the movement of cargo across borders

- * Critical internationally where decentralization and transparency are necessary to ensure accurate reporting at every stage of supply chains that are becoming increasingly complex.
- * In addition, we're leveraging new technology to develop new algorithms for flagging illicit trade patterns
- * Exploring the idea of using jump teams—like those we already use for verifying textile production—for looking at AD/CVD, IPR, and import safety issues abroad.

Question

The President has talked a lot about Mexico. Not only has he issued an Executive Order on “the wall,” he also has made statements about renegotiating NAFTA and other trade agreements. Can you give us some insight about CBP engagement with Mexico and what the future may hold?

Answer/Talking Pts.

- * Visited Mexico City with DHS delegation in April to discuss border security, immigration issues, trade.
- * Collaboration to facilitate cross-border commerce:
 - Unified Cargo Processing Pilot – Mariposa POE (Nogales)
 - o Launched August 2016
 - o CBP and Mexico’s Tax Administration Service (SAT) conduct joint cargo clearance exams
 - o Eliminates separate inspections
 - o Reduces wait times Prior to UCP was 3.5– 8 hrs/now is 1.25 hr.;
 - o April 3 - pilot began handling northbound rail traffic at Nogales
 - o Pilot recently expanded to Douglas and San Luis (northbound.)
- * Harmonizing data requirements to make cargo processing more efficient
- * Expanding cooperation particularly in those areas of risk management and examination of cargo
- * Sharing information and knowledge to identify and manage risk

Question

Turning to our neighbor to the north, Canada, what kinds of engagement has there been with Canadian policymakers and industry representatives?

Answer/Talking Pts.

- * Met with CBSA President, John Lossowksi last month for our first formal meeting at the Canadian Embassy in Washington DC;
- * Discussed CBP and CBSA shared priorities as well as critical areas of joint border management within an increasingly dynamic environment. Discussions included harmonization of a North America Single Window and sharing best practices for enforcement
- * Also agreed to initiate a comprehensive joint assessment of the U.S. Northern Border to review border management and enforcement operations

- * Look forward to continuing these discussions this fall at CBP-CBSA Senior Leadership Summit
 - * Also engaged with industry groups like the Canadian Association of Importers and Exporters, I.E. Canada'. I.E. Canada's members also participate in Canada's COAC-equivalents, CBS's Border Commercial Consultative Committee
 - * Last month, CBP was pleased to participate in the I.E. Canada Trade Summit—much discussion about the North American Single Window.
-

Question

What can you tell us about the progress being made toward a North American Single Window?

Answer

- * First, note CBP's own progress on ACE
 - o We've implemented ACE for 47 Partner Government Agencies
 - o Eliminated more than 200 paper forms
 - o Completed 6 of the 7 primary deployments established to achieve trade processing in ACE;
 - o One hundred percent of import manifest, cargo release, and export commodity processing conducted in ACE.
 - * COAC approved 12 recommendations from North America Single Window working group in Nov 2016; group is expected to resume work again soon.
 - * Tri-lateral collaboration with our North American partners on a Single Window Approach
 - o Seven trilateral working groups were established in the summer of 2016 to help address the NASW approach and roadmap;
 - o A conference call involving all members of the trilateral working groups from CBSA, SAT and CBP occurred on April 19, 2017 to discuss progress and next steps.
 - * Broader international engagement: CBP will also assess where there may be value in moving towards the creation of a shared vision/common definition of what is intended by any international single window approach, including:
 - o areas of focus,
 - o identification of gap resolution, and
 - o engagement with our trade and PGA stakeholders.
-

Question

Finally, no discussion of "North American" unity would be complete without a reference to NAFTA, or the North American Free Trade Agreement, which celebrates its 25th birthday this year. President Trump has expressed interest in renegotiating NAFTA and other existing trade agreements, as well as in negotiating new bilateral agreements. Comments/observations?

Answer/Talking Pts.

- * Both Canada and Mexico have said they recognize that many parts of the NAFTA can be improved and they want to engage the U.S. on this topic. On February 1, Mexico also launched its own domestic consultation process to review the NAFTA.
- * Outcome will undoubtedly have a profound impact on the North American trade profile— indeed, on global commerce—but CBP's core mission will remain steadfast: protecting our border security while facilitating lawful trade and travel.

Question

You'll be going to Brussels in July for the World Customs Organization Global Transit Summit. What should we be looking for in terms of CBP activity on the world stage?

Answer/Talking Pts.

- * CBP will continue to engage WCO standardization efforts and we will propose additional international engagement in Asia and Latin America based on mutual interests as well as where our enforcement and risk-management priorities take us.
- * Also critical to determine the level of interest in other countries. Single Window, as that will guide efforts to garner necessary interagency support and resource commitment.
- * We work with foreign counterparts in a careful approach that relies on intelligence-driven risk analysis that targets high-risk shipments. That approach is setting the standard for customs agencies worldwide who share the same risks/challenges we do.

Question

Any final thoughts you'd like to share with the audience?

Answer/Talking Pts.

- * Unity of effort – however laudable is ultimately wasted effort without unity of purpose. We must share the same goals. I am assured that we do.
- * Domestically, last thing we want to be is bottleneck to prosperity. But we must fulfill our trade enforcement mission, always with an eye toward securing our borders.
- * Globally, this balancing act is the same for other customs administrations.
- * I am confident that thanks to our shared commitment to collaboration, communication, and coordination we stand on common ground with greater understanding than ever of each other's challenges.. with unity of effort aligned with unity of purpose.

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Ref. #	Date	Position	Topic / Subject	Forum	Location
1	11/4/2011	DAC OFO	Closing Remarks: CBP Officer Basic Training Graduation	CBPOBT 284	Glynco, GA
2	12/27/2011	(A)AC OFO	CBP Officer Basic Training Graduation	CBPOBT Session 287	Glynco, GA
3	2/7/2012	(A)AC OFO	"Balancing Trade and Security: Protecting our Ports, Facilitating Commerce and Securing the Supply Chain"	House Committee on Homeland Security / Border and Maritime Subcommittee	Washington, DC
4	3/20/2012	(A)AC OFO	Closing Remarks: CBP Officer Basic Training Graduation	CBPOBT Session 297	Glynco, GA
5	5/3/2012	AC OFO	Maynard H. Jackson, Jr. International Terminal Opening Celebration	Atlanta Hartsfield-Jackson International Airport	Atlanta, GA
6	5/21/2012	(A)AC OFO	CBP Officer Basic Training Graduation	CBPOBT Session 326	Glynco, GA
7	6/21/2012	(A)AC OFO	"U.S. Caribbean Border: An Open Road for Drug Traffickers and Terrorists"	House Committee on Homeland Security / Oversight, Investigations, and Management Subcommittee	Washington, DC
8	9/11/2012	(A)AC OFO	"Preventing Terrorists From Coming to America"	House Committee on Homeland Security / Border and Maritime Subcommittee	Washington, DC
9	12/6/2012	(A)AC OFO	Second Level Command Preparation	Global Borders College	Harpers Ferry, WV
10	2/13/2013	(A)AC OFO	San Diego DFO Change of Command Ceremony	San Diego Field Office	San Diego, CA
11	2/26/2013	(A)AC OFO	"What Does a Secure Border Look Like?"	House Committee on Homeland Security / Border and Maritime Subcommittee	Washington, DC
12	3/20/2013	(A)AC OFO	"Measuring Outcomes to Understand the State of Border Security"	House Committee on Homeland Security / Border and Maritime Subcommittee	Washington, DC
13	4/10/2013	(A)AC OFO	"Border Security: Frontline Perspectives on Progress and Remaining Challenges"	Senate Committee on Homeland Security and Governmental Affairs	Washington, DC
14	4/17/2013	(A)Deputy	"CBP Fiscal Year 2014 President's Budget"	House Appropriations	Washington, DC

		Commissioner	Request	Committee Subcommittee on Homeland Security	
15	5/7/2013	(A)Deputy Commissioner	"Border Security: Examining Provisions in the Border Security, Economic Opportunity, and Immigration Modernization Act (S. 744)"	Senate Committee on Homeland Security and Governmental Affairs	Washington, DC
16	5/22/2013	(A)Deputy Commissioner	Borders Five Research and Development Meeting	National Place	Washington, DC
17	7/10/2013	(A) Deputy Commissioner	"Abu Dhabi Pre-Clearance Facility: Implications for U.S. Businesses and National Security"	House Committee on Foreign Affairs Subcommittee on Terrorism, Nonproliferation, and Trade	Washington, DC
18	10/2/2013	(A) Deputy Commissioner	Joint Facilitation / Security Meeting	Aircraft Electronics Association / Airlines for America	Brussels
19	4/8/2014	(A)Deputy Commissioner	"Authorizing Customs and Border Protection and Immigration and Customs Enforcement"	House Committee on Homeland Security, Subcommittee on Border and Maritime Security	Washington, DC
20	4/22/2014	(A)Deputy Commissioner	Opening Remarks	National Treasury Employees Union (NTEU) Conference	Las Vegas, NV
21	6/4/2014	(A)Deputy Commissioner	"Evaluating Port Security: Progress Made and Challenges Ahead"	Senate Committee on Homeland Security and Governmental Affairs	Washington, DC
22	11/5/2014	Deputy Commissioner	Remarks: CBP's Trade Transformation Strategy / Trusted Trader Program Pilot / Centers of Excellence & Expertise / ACE Single Window / Trade Enforcement Strategy	U.S. Fashion Industry Association (USFIA) 26 th Annual Textile & Apparel Importers Trade and Transportation Conference	New York City, New York
23	11/7/2014	Deputy Commissioner	Remarks: CBP Vision / ACE Single Window / Trade Transformation Initiatives	Association of American Railroads	Dulles, VA
24	11/14/2014	Deputy Commissioner	Smarter Customs and Borders: Creating Economic Vitality through Innovation	Global Customs, Immigration, and Border Exec Forum	Montreal, Canada
25	1/23/2015	Deputy Commissioner	National Sheriffs' Association – Mid Winter Conference	National Sheriffs' Association – Governmental Affairs Committee	Washington, DC
26	3/27/2015	Deputy	Introductory Remarks: CBP Senior	Internal Engagement 1 st	Harpers Ferry, WV

		Commissioner	Leadership All Hands	Anniversary	
27	4/23/2015	Deputy Commissioner	Bring Your Child to Work Day	RRB Rotunda Ballroom / CBP Personnel Children	Washington, DC
28	9/22/2015	Deputy Commissioner	Pathways for Trade: North America	22 nd Annual Logistics & Mfg. Symposium (Texas A&M University)	Laredo, TX
29	10/14/2015	Deputy Commissioner	Open House / Ribbon-Cutting Ceremony / Office of Administration's Mobile Work Space	CBP Office of Administration Personnel	Washington, DC
30	3/8/2016	Deputy Commissioner	"Fiscal Year 2017: Budget Request & Results"	Senate Appropriations Committee on Homeland Security	Washington, DC
31	3/18/2016	Deputy Commissioner	Retirement Ceremony: Charlie Armstrong	RRB / Retirement Ceremony	Washington, DC
32	5/17/2016	Deputy Commissioner	Luncheon Keynote	2016 West Coast Trade Symposium	Phoenix, AZ
33	6/6/2016	Deputy Commissioner	Luncheon Keynote: Trade (R)evolution	American Ass'n of Exporters & Importers (AAEI)	Arlington, VA
34	7/19/2016	Deputy Commissioner	Welcome Remarks: CBP Efforts to Combat Human Trafficking	Human Trafficking & Transportation Stakeholder Engagement	Department of Transportation HQ, Washington, DC
35	7/27/2016	Deputy Commissioner	CBP's International Trade Facilitation and Enforcement Mission	American Chamber of Commerce	Hong Kong, China
36	8/22/2016	Deputy Commissioner	Plug and Play Remarks	Plug and Play: International Passenger Traveler Forum	Silicon Valley, CA
37	9/1/2016	Deputy Commissioner	A Conversation Can Save a life	Suicide Awareness and Prevention Event	Washington, DC
38	9/23/2016	Deputy Commissioner	HRM Special Recognition Event	Suicide Prevention and Awareness Event	Washington, DC
39	9/26/2016	Deputy Commissioner	Advanced Targeting System-Global (ATS-G) Memorandum of Cooperation	Signing Ceremony with Danish Customs	Washington, DC
40	9/29/2016	Deputy Commissioner	Procurement: All Hands Meeting	CBP Office of Acquisition / Office of Procurement Personnel	Washington, DC
41	10/18/2016	Deputy	Honoring Judge Robert Bonner	8 th Annual Border Patrol	Washington, DC

	6	Commissioner			Recognition Dinner	
42	11/15/2016	Deputy Commissioner	U.S. Chamber National Security Task Force Meeting		U.S. Chamber of Commerce	Washington, DC
43	12/2/2016	Deputy Commissioner	Luncheon Keynote Address		East Coast Trade Symposium	Arlington, VA
44	12/14/2016	Deputy Commissioner	Trade Enforcement		Press Conference on Trade Enforcement	Portland, OR
45	3/1/2017	(A)Commissioner	Commercial Customs Operations Advisory Committee (COAC) Meeting		Customs Operations Advisory Committee (COAC)	Washington, DC
46	3/21/2017	(A)Commissioner	Luncheon Keynote		AAAE / ACI-NA Legislative Conference	Washington, DC
47	4/5/2017	(A)Commissioner	National Customs Brokers and Freight Forwarders Association Closing Remarks		NCBFAA Annual Conference	New Orleans, LA
48	4/20/2017	(A)Commissioner	Joint Statement on Partnerships / Collaboration with Mexico		Signing Ceremony – Unified Cargo Processing (Servicio de Administracion Tributaria (SAT))	Mexico City, MX
49	5/16/2017	(A)Commissioner	Opening Remarks: Valor Memorial Ceremony		CBP Valor Memorial Ceremony	Washington, DC
50	5/17/2017	(A)Commissioner	Global Security Chain Summit / Remarks		Global Security Chain Summit	Washington, DC
51	5/24/2017	(A)Commissioner	Opening Remarks		West Coast Trade Symposium	Scottsdale, AZ